



**SECURITIES & EXCHANGE COMMISSION OF PAKISTAN  
NIC BUILDING BLUE AREA, ISLAMABAD**

\*\*\*

**Before the Joint Director (Securities Market Division)**

**In the matter of Show Cause Notice No.SMD/Co.62/1/2005-S dated May 15, 2006 issued to Mr. Muhammad Asif under Section 18-A of the Securities and Exchange Ordinance, 1969 for submission of more than one application for subscription of shares of United Bank Limited. (“the Bank” and/or “UBL”) which were offered to the general public on June 03-08, 2005.**

-----

**Date of hearing:**

**May 19, 2006**

**Present at hearing:**

Representing the applicant:

Mr. Muhammad Asif

Assisting the Joint Director (SMD):

Mr. Muhammad Saeed Rana,

Assistant Director, CI

**ORDER**

1. The matter arises from the show cause notices No.SMD/Co.62/1/2005-S dated May 15, 2006 issued by the Securities and Exchange Commission of Pakistan (the Commission) to (i) Mr. Muhammad Asif s/o Muhammad Baqir, NIC No.36104-0410104-3, address: House No.108, Street No.2, Husnainabad Mian Channu, 58000 Distt. Khanewal, who submitted application No.03-0073-33 (Applicant No. 1) and (ii) Mr. Mohammad Asif s/o Mohammad Baqir NIC No.36104-0410104-3, address: 330/D, Satellite Town, Rahim Yar Khan, who submitted application No.12-0485-49 (Applicant No. 2).

2. Facts of the case are that AKD Securities (Pvt.) Ltd., Consultant to the Offer, on behalf of the Privatisation Commission (the “Offerer”) vide letter dated July 12, 2005 furnished to the Commission a list of cases of all those applicants which were detected by THK Associates (Pvt.) Limited (the balloters to the offer) as being filed in violation of Section 18A of the Securities and Exchange Ordinance, 1969, which stipulates that:

*“(1) No person or any other person on his behalf shall make a fictitious application or submit more than one application for shares of companies offered to the public. (2) In case of contravention of the provisions of subsection (1), the application money shall be liable to confiscation.”*

Mr. Muhammad Asif’s name appeared in the aforementioned list of multiple applicants. Two applications bearing No. 03-0073-33 and No.12-0485-49 were submitted through Bank Alfalah Limited, Mian Channu Branch, Mian Channu and Muslim Commercial Bank Limited, Main Branch, New Sadiq Bazar, Rahim Yar Khan respectively. Both the applications were submitted under the same name with the same NIC number and father’s name but with different addresses and signatures.

3. The Commission called for a written explanation from both applicant No 1 and applicant No.2 vide letters dated August 22, 2005 at the address mentioned in application No.03-0073-33 i.e. House No.108, Street No.2, Husnainabad, Mian Channu, 58000 Distt. Khanewal and application No. 12-0485-49 i.e. 330/D, Satellite Town, Rahim Yar Khan, respectively.
4. A reply dated August 29, 2005 was received from applicant No.1 wherein it was stated that he had submitted only one application through Bank Alfalah Limited, Mian Channu Branch, using account No.0073-01000770.
5. The Commission then sent a reminder dated April 24, 2006 to applicant No.2 requesting him to provide an explanation for violating Section 18-A of the Securities and Exchange Ordinance, 1969. A letter dated April 24, 2006 was also issued to him

through the Banker to the offer i.e. Muslim Commercial Bank Limited, Main Branch, New Sadiq Bazar, Rahim Yar Khan (the Bank), requesting the Bank to deliver the aforementioned Commission's letter dated August 22, 2005 to applicant No.2, an account holder of the Bank, requiring him to explain why he had submitted more than one application. A letter dated nil was received on May 10, 2006 from applicant No.2 wherein he had stated that he had submitted more than one application due to unawareness on his part.

6. In order to ascertain the factual position and to reach to a conclusion, the aforementioned show cause notices were issued and subsequently a hearing was held on May 19, 2006 at the Companies Registration Office, Lahore. During the course of hearing, Mr. Muhammad Asif appeared in person stating that he had submitted only one application No.03-0073-33 through Bank Alfalah Limited, Mian Channu Branch and that the other application was filed by someone else without his knowledge and consent. He presented his original NIC and copy of his bank statement in support of his arguments. He requested the Commission for allotment of shares against his application.
7. After the date of the hearing a letter dated nil was received on May 24, 2006 from applicant No.1 wherein he once again stated that he had submitted only one application No. 03-0073-33 through Bank Alfalah Limited, Mian Channu Branch, Mian Channu and that he does not maintain an account with Muslim Commercial Bank Limited, Main Branch, New Sadiq Bazar, Rahim Yar Khan through which someone else had submitted the other application in his name.
8. I have considered the arguments presented before me by Mr. Muhammad Asif. A perusal of the applications and correspondence exchanged in the matter reveals that these applications have been submitted by two different persons using the same NIC number and Father's Name but with different addresses and signatures. From the facts presented before me, it is evident that application No. 03-0073-33 submitted by Mr. Muhammad Asif through Bank Alfalah Limited, Mian Channu Branch, Mian Channu is genuine, hence, the Privatisation Commission (the Offerer) is advised to

accept the application No.03-0073-33 submitted by Mr. Muhammad Asif and to allot the shares against the same.

9. The identity of applicant no 1 has been established as Mr. Muhammad Asif appeared in person before me and since no one appeared before me in response to show cause notice No.SMD/Co.62/1/2005-S dated May 15, 2006, claiming Application No. 12-0485-49 also filed in the name of Mr. Muhammad Asif bearing the address 330/D, Satellite Town, Rahim Yar Khan, hence, the same is fictitious. Accordingly, the subscription money deposited against the said fictitious application be confiscated under subsection (2) of Section 18-A of Securities and Exchange Ordinance, 1969. The Offerer is advised to deposit the subscription money to be confiscated against application No.12-0485-49 in the designated bank account maintained in the name of Securities and Exchange Commission of Pakistan with Habib Bank Limited within thirty days from the receipt of this Order and furnish receipted challans to the Commission.
10. Further, the State Bank of Pakistan (SBP) is requested to investigate the opening of account no.972-3 in the name of Mr. Muhammad Asif by Muslim Commercial Bank Limited, Main Branch, New Sadiq Bazar Branch, Rahim Yar Khan without conducting proper due diligence. Based on the findings of the investigation carried out, SBP is requested to take appropriate action against the concerned individuals/parties under intimation to this office.

**Jahanara Sajjad Ahmad, ACA**  
Joint Director (Securities Market Division)

***Announced:***  
***, 2006,***  
**Islamabad.**