



**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.62/4/2004-S dated May 15, 2006 issued to Mr. Tariq Ibrahim under Section 18-A of the Securities and Exchange Ordinance, 1969 for submission of more than one application for subscription of shares of Kot Addu Power Company Limited. (“the Company” and/or “KAPCO”) which were offered to the general public on February 21-24, 2005.

Date of hearing:

May 19, 2006

Present at hearing:

Representing the applicant:

Mr. Tariq Ibrahim

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.62/4/2004-S dated May 15, 2006 issued by the Securities and Exchange Commission of Pakistan (the Commission) to (i) Mr. Tariq Ibrahim S/o Mohammad Ibrahim, NIC No.33100-2861202-7, address: House P-162, Street No.5, Aminabad No.1, Faisalabad, who submitted application No.017-0360-01708 (Applicant No. 1) and (ii) Mr. Tariq Ibrahim S/o Mohammad Ibrahim NIC No.33100-

2861202-7, address: Room No.142/143, Stock Exchange Building, Karachi, who submitted application No.012-0001-06768 (Applicant No. 2).

2. Facts of the case are that THK Associates (Pvt.) Limited (the balloters to the offer), on behalf of the Privatisation Commission (the “Offerer”) vide letter dated January 19, 2006 furnished to the Commission copies of applications of Mr. Tariq Ibrahim which were detected 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. Tariq Ibrahim submitted two applications bearing No. 017-0360-01708 and No.012-0001-06768 through National Bank of Pakistan, Aminpur Bazar Branch, Faisalabad and Bank Alfalah Limited, North Napier Road Branch, Karachi, respectively. Both the applications were submitted under the same name with the same NIC number and father’s name but with different addresses & signatures.

4. The Commission called for a written explanation from applicant No 1 vide letter dated February 02, 2006 sent at the address mentioned on the application No. 017-0360-01708 i.e. House No.P-162, Street No.5, Aminabad No.1, Faisalabad. A reply dated February 06, 2006 was received from applicant No.1 wherein it was stated that he had submitted only one application through National Bank of Pakistan, Aminpur Bazar Branch, Faisalabad.
5. The Commission also called for a written explanation from the applicant No.2 vide letter dated February 16, 2006 sent at the address mentioned on the application No.012-0001-06768 i.e. Room No.142/143, Stock Exchange Building, Karachi. However, no reply to the said letter has been received till date.

6. In order to ascertain the factual position and to reach to a conclusion, the aforementioned show cause notice was issued and subsequently a hearing was held on May 19, 2006 at the Companies Registration Office, Lahore. At the hearing, Mr. Tariq Ibrahim appeared in person stating that he had submitted only one application No.017-0360-01708 through National Bank of Pakistan, Aminpur Bazar Branch, Faisalabad and that the other application was filed by someone else by misusing a copy of his NIC. He stated that he is maintaining two accounts with the Bank of Punjab and one account with National Bank of Pakistan. He further stated that he wrote to the State Bank of Pakistan about the fake account opened in his name in Bank Alfalah Limited, North Napier Road Branch, Karachi (code No.119) through which the second application No.012-0001-6768 was filed in his name. He also wrote to Mr. Khawaja Amir Ishaq member Karachi Stock Exchange (Guarantee) Limited, informing him that a fake account which was opened in the CDC through Mr. Khawaja Amir Ishaq, was used to file the second application in his name. Mr. Khawaja Amir Ishaq in his reply to Mr. Tariq Ibrahim has stated that no such account with the particulars of Mr. Tariq Ibrahim has ever been opened or maintained with him. He presented his original NIC, letters to State Bank of Pakistan and to Mr. Khawaja Amir Ishaq alongwith reply of Mr. Khawaja Amir Ishaq in support of his arguments. He requested the Commission for allotment of shares against his application.
7. After the hearing, the Commission received a letter dated May 20, 2006 from Bank Alfalah Limited, North Napier Road Branch, Karachi (the Bank) wherein it was stated that there is no account in the name of Mr. Tariq Ibrahim being maintained at the Bank.
8. I have considered the arguments presented before me by Mr. Tariq Ibrahim. 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.017-0360-01708, submitted by Mr. Tariq Ibrahim through National Bank of Pakistan, Aminpur Bazar Branch, Faisalabad is genuine, hence, the Privatisation Commission

(the Offerer) is advised to accept the application No.017-0360-01708 submitted by Mr. Tariq Ibrahim and to allot shares against the same.

9. The identity of applicant no 1 has been established as Mr. Tariq Ibrahim appeared in person before me and since no one appeared before me in response to show cause notice No.SMD/Co.62/4/2004-S dated May 15, 2006, claiming Application No. 012-0001-06768 also filed in the name of Mr. Tariq Ibrahim bearing the address Room No.142/143, Stock Exchange Building, Karachi, 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.012-0001-06768 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. 2100 in the name of Mr. Tariq Ibrahim by Bank Alfalah Limited, North Napier Road Branch, Karachi 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:
August , 2006,
Islamabad.