



## SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

**In the matter of Show Cause Notice No.SMD/TO/04/2006 dated April 05, 2006 issued to Mr. Mahmood Ahmed and Siyyid Tahir Nawazish under Section 15B of the Securities & Exchange Ordinance, 1969**

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**Dates of Hearing:**

**8<sup>th</sup> May, 2006**

**29<sup>th</sup> May, 2006**

**15<sup>th</sup> June, 2006**

Representing Mr. Mahmood Ahmed  
and Siyyid Tahir Nawazish:

(i) Hasan & Hasan Advocates

Legal Counsel

Assisting the Executive Director (SM):

(i) Ms. Saima Ghazal

Deputy Director (SM)

(ii) Ms. Amber Dar

Executive Director (Law)

(iii) Mr. Babar Sattar

Joint Director (Law)

### **ORDER**

1. The present matter arises out of two Show Cause Notices both bearing No.SMD/TO/04/2006 and dated April 5, 2006 issued by the Securities and Exchange Commission of Pakistan ("the Commission") to the members of the Board of Directors of Crescent Standard Business Management (Private) Limited ("CSBM"), namely, Mr. Mahmood Ahmed and Siyyid Tahir Nawazish. Mr. Mahmood Ahmed is also the Chief Executive of CSBM.
2. Brief facts of this case are that on February 1, 2006, CSBM sold twenty (20) million shares of Crescent Standard Investment Bank Limited ("CSIBL") through First National Equities to Javed Omar Vohra & Co. Limited ("JOV") @ Rs.12.00 per share and sold another four and a half (4.5) million shares to JOV on February 3, 2006 through Dossalani Securities @ Rs.11.98 per share. Both CSIBL and JOV are listed public companies. Moreover, CSIBL and CSBM are associated companies as Mr. Mahmood Ahmed is a director of both CSBM and CSIBL. He also held the position of chief executive in both the said companies at the time of aforementioned transactions.
3. On October 3, 2005, the Commission commenced inspection of books and accounts of CSIBL; and in November, 2005, communicated to the Board of Directors of CSIBL critical information regarding mismanagement of books and accounts and unauthorized

transactions undertaken by CSIBL, as well as the poor financial condition of CSIBL, asking it to explain and clarify the same.

4. On November 28, 2005, the CSIBL Board of Directors held a meeting to discuss the findings of the Commission's inspection and the queries put forward to them for reply and clarification; and as of that date (if not earlier), all directors of CSIBL attending the said meeting (including Mr. Mahmood Ahmed as both director and chief executive) clearly came into possession of material non-public information regarding the frail and deteriorating financial condition of CSIBL. It may be mentioned that following CSIBL's Board decision taken in its aforementioned meeting of November 28, 2005 to merge the hitherto parallel books of accounts unlawfully maintained separately in CSIBL and resultant consolidation of CSIBL's accounts, a major portion of its equity was wiped out.
5. Information regarding the abovementioned affairs of CSIBL was not generally available and while being in possession of such material non-public information regarding CSIBL, CSBM dealt in the securities of CSIBL and started selling its shareholding in CSIBL in early February 2006, importantly making the aforementioned transactions of sale of CSIBL shares to JOV totaling twenty four and a half (24.5) million shares as stated in paragraph 2 above.
6. After the sale of shares to JOV, the price of CSIBL share materially dropped as the abovementioned information regarding CSIBL's affairs became public and, as of the date of this order, it had already touched as low as Rs.4.55 per share.
7. It was thus apparent that on the basis of unpublished price-sensitive information, CSBM dealt in CSIBL securities and managed to cause JOV to purchase CSIBL securities from CSBM thereby itself avoiding loss and causing the same to JOV, which acts of CSBM fell within the ambit of insider trading defined and proscribed by Chapter III-A of the Securities and Exchange Ordinance, 1969 ("the Ordinance").
8. In light of the foregoing, on April 5, 2006, Show Cause Notices ("SCN") were issued to the Board of Directors of CSBM comprising of only two directors, namely, Mr. Mahmood Ahmed and Siyyid Tahir Nawazish, which summed up the allegations against CSBM in the following manner:
  - "a) CSBM sold securities of CSIBL while being associated with CSIBL through common director and in possession of material non-public information related to CSIBL;
  - b) CSBM sold to JOV 24.5 million shares at Rupees 12.00 and 11.98 per share on February 1 and 3, 2006, respectively, and the share price of CSIBL declined to Rupees 8.00 per share on March 13, 2006; and
  - c) CSBM, by acting on material non-public information, illegally caused JOV to deal in securities of CSIBL in violation of section 15A of the Ordinance, thus avoided a loss and inflicted loss on JOV and its shareholders."

9. The aforementioned members of the CSBM Board of Directors were asked to show cause as to why action should not be taken under section 15B of the Ordinance in respect of the abovementioned dealings by CSBM in CSIBL securities which amounted to insider trading specifically prohibited by section 15A of the Ordinance.
10. The directors of CSBM were also required to appear in person or through authorized representative (if any) at the head office of the Commission in Islamabad on April 27, 2006.
11. Written reply to the SCN was submitted by each of the CSBM director separately together with further written submissions by their legal counsel presenting their factual and legal stance. At the request of their legal counsel, the date of hearing was postponed from April 27, 2006 to May 8, 2006 and on the said date the legal counsel for the CSBM directors appeared and presented their respective stance and arguments in detail.
12. Having perused the reply and written submissions made by the CSBM directors to the SCN and having heard their legal counsel, the factual and legal points raised therein could be summed up as follows:
  - a. Preliminary Objection: JOV is a proper and necessary party in this matter and should be impleaded in the interest of justice.
  - b. No Claim by JOV: No demand or claim of any kind has been raised by JOV against CSBM with respect to the sale of CSIBL shares.
  - c. No Evidence Produced: No evidence in respect of the allegations made in the SCN has been made available to the CSBM directors.
  - d. Transactions Made in Accordance with Law: The sale of the shares was handled in full accordance with law and procedure. Disclosure of the transaction was made to the SECP and the stock exchanges and was supported by proper broker notes.
  - e. Absence of Intent of Making Profit or Causing Loss: The transactions of sale of CSIBL shares to JOV were not undertaken with the intent of making a profit or causing a loss to JOV. It was reasonably believed that the price-sensitive information had been disclosed widely enough to ensure that none of the other parties to the transactions could be deemed to have been prejudiced by lack of access to such information. It was not expected at the time of transactions that they would result in the avoidance of a loss attributable to the unpublished price sensitive information. CSBM would have sold the securities even if any of its directors did not have price-sensitive information.

- f. Transactions Made in Good Faith: The transactions were made by CSBM in good faith to pay off its liabilities to CSIBL. The sale of shares to JOV was an arm's length transaction and was not designed or engineered to cause a loss to JOV.
  - g. Price Decline Un-related to Information: The price decline in the shares of CSIBL was not as a result of the information known to the CSBM directors. In fact, the price appreciated after the sale of shares for forty five (45) days.
  - h. Loss not Realized: The loss to JOV has not been realized and CSBM cannot, therefore, be asked to compensate for any loss pursuant to section 15B of the Ordinance.
  - i. Absence of Knowledge: Siyyid Tahir Nawazish categorically denied any knowledge of the unpublished price-sensitive information regarding CSIBL's affairs as mentioned above. Hence, his clam of innocence as regards acting on the said material non-public information. The same stance was not originally taken by Mr. Mahmood Ahmed in his written reply. However, during the hearing, it was stated that he too lacked such information.
13. In light of the foregoing, the CSBM directors contended that they had not contravened section 15A of the Ordinance and, accordingly, no action was warranted under section 15B of the Ordinance.
14. I have considered the above points raised on behalf of the CSBM directors and I propose to dispose off each point separately in the lines below.
15. **Preliminary Objection:** The request of the legal counsel for the CSBM directors was entertained in the interest of justice and the chief executive, chairman and directors of JOV who were holding these positions at the relevant time of the transactions were required to appear before me on two separate dates of hearing i.e. 29<sup>th</sup> May, 2006 and 15<sup>th</sup> June, 2006. They were asked to assist in accurately determining the facts of the transactions and also to respond to any questions put up by the directors of CSBM in this regard. It is important to note that they or their company i.e. JOV could not be "impleaded" in the SCN proceedings as such. However, an opportunity was afforded to the CSBM directors to put any questions to them to substantiate their defence.
16. Except one director of JOV, namely, Mr. Mustaq Chappra, who was abroad (as per written intimation received from his office by the Commission), the following appeared personally before me, namely:
- a. Mr. Javed Omer Vohra, Chairman/Director, JOV (appeared on 29<sup>th</sup> May, 2006)
  - b. Mr. Nasir Ayub, Director, JOV (appeared on 15<sup>th</sup> June, 2006)
  - c. Mr. Fuad Nazir Kehar, CEO/Director, JOV (appeared on 15<sup>th</sup> June, 2006)
  - d. Mr. Nadeem Javed, Director, JOV (appeared on 15<sup>th</sup> June, 2006)
  - e. Mr. S.M. Yusaf, Director, JOV (appeared on 15<sup>th</sup> June, 2006)

17. Despite the fact that the attendance of JOV directors, chairman and chief executive was required in pursuance of the objection raised by the CSBM directors, no one from the side of CSBM directors appeared on the aforementioned two dates of hearing fixed for the purpose. While a request was received from the legal counsel for the CSBM director (also acting on behalf of Mr. Nasir Ayub, Director JOV) to postpone the hearing of May 29<sup>th</sup>, 2006 on account of absence of Dr. Pervaiz Hasan from the country till first ten days of June, 2006, no one appeared from the side of CSBM directors on the next date of hearing i.e. 15<sup>th</sup> June, 2006.
18. Nonetheless, copies of letters sent to the Commission in this regard by Mr. Javed Omer Vohra, Mr. Nasir Ayub and Mr. S.M. Yusaf were duly provided to the CSBM directors before the last date of hearing on 15<sup>th</sup> June, 2006.
19. Upon being asked as to what information they had with respect to the problems at CSIBL and when they became aware of the same as well as the transactions of sale of CSIBL's shares to JOV, it was stated by JOV directors, chairman and chief executive that they were only aware that the Commission was inspecting the affairs of CSIBL and A.F. Ferguson & Co. were conducting a special audit of CSIBL. They stated that they did not get concerned by these developments as they thought these were taken as a matter of routine. All of them stated that they had no information of the details or specifics pertaining to the problems at CSIBL like maintenance of parallel books of account. According to them, they came to know of the parallel books of account and the deteriorating financial condition of CSIBL when it was reported in the daily, the Business Recorder, on April 15, 2006.
20. It was also found in the course of hearing that all the directors, chairman and chief executive of JOV who appeared before me had some association with CSIBL being a past or present employee of CSIBL and it was in fact by virtue of this association with CSIBL that they had come to know about the existence of Commission's inspection and A.F. Ferguson & Co.'s audit regarding CSIBL affairs, but they knew nothing beyond this nor were they concerned about it as they took it as a matter of routine.
21. As regards the transactions of sale of CSIBL shares between CSBM and JOV, Mr. Javed Omer Vohra, Mr. Nadeem Javed and Mr. S.M. Yusaf expressed absence of knowledge about both the affairs of JOV and the transactions of sale of CSIBL shares by CSBM to JOV and stated that they only learnt about the said transactions from the letters of the Commission requiring their attendance in the SCN proceedings. According to Mr. Javed Omer Vohra, despite being chairman, he did not attend any meeting of the Board of Directors since he had sold thirty five percent (35%) of his shareholding in JOV to the Crescent group on August 8, 2005 and that the company is being run by CEO. As per Mr. Nadeem Javed, he was only a nominee director and, on account of his illness, he did not attend the meeting of the Board of Directors of JOV held on April 28, 2006 wherein the quarterly accounts for the first quarter ending on March 31, 2006 showing the CSIBL

share transactions were approved. Mr. S.M. Yusaf stated that he never attended a single meeting of the Board of Directors and had resigned on April 24, 2006 as a director.

22. Mr. Fuad Nazir Kehar, present chief executive of JOV (then director at the time of sale of CSIBL shares to JOV), and Mr. Nasir Ayub, director JOV, stated that they were not aware of the CSIBL share purchase transactions by JOV from CSBM at the time of transaction and became aware only in the Board of Directors' meeting on April 28, 2006 which they attended wherein the quarterly accounts showing the transactions in question were approved. They said that prior approval of the directors was not sought and the transactions were entered into by Siyyid Tahir Nawazish as the then chief executive of JOV. They also said that no concern or question was raised on the transactions in question and the quarterly accounts were approved as a matter of routine. It was stated by Mr. Nasir Ayub that the purchase of the CSIBL shares was viewed as a long term investment in view of the soundness, strength and resilience of the Crescent Group. However, Mr. Fuad Nazir Kehr, present chief executive of JOV, stated that had he been aware of the problems at CSIBL, he would not have entered into the transactions in question of purchase of CSIBL shares on behalf of JOV.
23. From what has been stated by the directors, chairman and chief executive of JOV, it is clear that they were ignorant of the details and specifics of the problems at CSIBL. Neither were they aware of the purpose of inspection into CSIBL affairs by the Commission nor were they knowledgeable about the parallel books being kept by CSIBL or about the financial condition of CSIBL. They only came to know when it was reported in the newspapers on April 15, 2006. Moreover, in February, 2006, when the transactions in question took place, none of them had any information about the said transactions either till the time the quarterly accounts for the period ending March 31, 2006 were approved by the Board of Directors of JOV.
24. **No Claim by JOV:** Suffice it to say that the fact whether any demand or claim has been raised by JOV against CSBM with respect to the sale of CSIBL shares does not constitute an ingredient of, or defence to, the offence of insider trading as defined by section 15A of the Ordinance read with section 15B thereof.
25. **No Evidence Produced:** The transactions of sale of 24.5 million CSIBL shares by CSBM to JOV in early February, 2006 as mentioned in the SCN are not denied by the CSBM directors. It is also not denied that CSBM is an associated company of CSIBL since Mr. Mahmood Ahmed is a director of both the companies. It can also not be denied that Mr. Mahmood Ahmed was present in the CSIBL Board of Directors' meeting held on November 28, 2005, wherein the serious problems at CSIBL were considered whereby he would be deemed to have acquired possession of the unpublished price-sensitive information which was yet non-public. It is also admitted that Mr. Mahmood Ahmed and Siyyid Tahir Nawazish were directors of CSBM, particularly at the time when the transactions in question took place. In view of the foregoing and the fact that the legal counsel for the CSBM directors could not pinpoint any specific evidence lacking against them, I believe that the objection raised on behalf of CSBM directors cannot be sustained.

26. **Transactions Made in Accordance with Law:** Legality of a transaction (otherwise than being insider dealing/trading) or fulfillment of other legal formalities is not at issue in the case of insider trading. A transaction of securities (sale or purchase) may otherwise be perfectly legal but if it qualifies as insider trading as defined in section 15A of the Ordinance, there would be no legal bar in proceeding against a person merely for the reason that all other legal compliances were duly effected. Hence, this argument cannot be entertained.
27. **Absence of Intent of Making Profit or Causing Loss:** It has been stated that the transactions of sale of CSIBL shares to JOV were not undertaken with the intent of making a profit or causing a loss to JOV. The defence has been taken in light of clause (a) of sub-section (2) of section 15B of the Ordinance, which requires a person to whom a show cause notice has been issued to satisfy the Commission in this regard. Apart from lengthy submissions by the legal counsel for CSBM directors on the meaning and interpretation of the word “intent”, nothing worthwhile has been brought to my notice supporting the defence taken by CSBM. While entering into the transactions for sale of 24.5 million shares of CSIBL on behalf of CSBM, CSBM director and chief executive Mr. Mahmood Ahmed was acting on the basis of the privileged information in his possession, regarding the huge losses incurred by merger of parallel books of account at CSIBL known to him. It also may be stated that, by its very nature, when it comes to motives and intentions, there may not always be any direct evidence. However, the chain of circumstances, the timing of the transaction, and other related factors demonstrate beyond doubt that the transaction was founded upon and effected on the basis of unpublished price sensitive information about the weak financial condition of CSIBL known to Mr. Mahmood Ahmed through his association with CSIBL being CEO of CSIBL. Then to say that the price-sensitive information which CSBM possessed was already generally available such that JOV could not be deemed to have been prejudiced by lack of access to such information is belied by the information provided by the directors, chairman and chief executive of JOV (as already discussed in preceding paragraphs). Importantly, despite being or having remained associated with CSIBL in one or the other capacity, the JOV directors, etc. were not aware of this price-sensitive information until they came to know through newspapers. Besides this, the nature of information regarding problems at CSIBL was so serious and damaging that it could not be reasonably expected that it would not result in a loss to any person holding CSIBL shares. The volume of transactions, i.e. 24.5 million shares, and the quick succession of transactions after one another, i.e. on February 1 and 3, 2006, rather indicate an element of haste in CSBM’s actions in off-loading CSIBL shares. CSBM has failed to satisfy me regarding its defence taken under clause (a) of sub-section (2) of section 15B of the Ordinance.
28. **Transactions Made in Good Faith:** This defence is available under clause (b) of sub-section (2) of section 15B of the Ordinance. However, once again, I do not find the explanation given by CSBM in this behalf as satisfactory. CSBM has failed to identify any of its “legal responsibilities” in discharge of which it acted in good faith. Even if

paying off its liabilities to CSIBL be assumed for the sake of argument as its “legal responsibility”, the element of good faith on part of CSBM is still wanting in the circumstances of the matter. It has been argued that there was parity of information between CSBM and JOV and the transactions in question were result of an arm’s length dealing. However, the information provided by the directors, chairman and chief executive of JOV clearly indicates that such parity did not exist at all and what the JOV directors only came to know through newspapers was known to CSBM before the transactions in question with enough details and specifics sufficient to dissuade any buyer like JOV from entering into the transactions in question.

29. **Price Decline Un-related to Information:** It has been argued that the price decline in the shares of CSIBL was not as a result of the information known to the CSBM directors; and in fact, the price appreciated after the sale of shares for forty five (45) days. As already discussed above, the information reflected such serious problems at CSIBL and its affairs and financial health/condition that could have easily dissuaded any potential buyer of CSIBL shares. The statement of present chief executive of JOV, Mr. Fuad Nazir Kehar, is self-explanatory in this behalf that if he had the knowledge about CSIBL’s affairs as subsequently became generally known, he would not have bought CSIBL shares from CSBM on behalf of JOV. I have also reviewed the CSIBL share price history, which reveals that CSIBL share price traded above Rs.12.00 for a few days after the transactions in question and was highest i.e. Rs.13.25 (trade volume being 25,000) on February 6 and 7, 2006. It then remained within the range of Rs.12.00 to Rs.13.00 for seven days from February 9 to 16, 2006, during which the volume traded was 41,500 to 356,500, which when compared to JOV trade is only 1.455% thereof. Share price of CSIBL after February 16, 2006 never reached Rs.12.00 and recently (as on June 22, 2006) traded at about Rs.4.55. The highest volume of share traded (sold) from February 1 to 10, 2006 was 426,000 sold by JOV on February 3, 2006. Hence, to say that the share price appreciated for forty five (45) days after the transactions in question is factually wrong.
30. **Loss Not Realized:** The legal counsel for CSBM directors also argued that the loss has not yet been realized; therefore, no question of compensation therefore. In this regard, it is sufficient to note that quarterly accounts of JOV for the period ending March 31, 2006 reveal losses on account of shares held for trading amounting to Rs.93,923,718/- which include Rs.80,030,400/- on account of purchase of 24.5 million shares of CSIBL pursuant to the transactions in question.
31. **Absence of Knowledge:** As already stated, I have no doubt in my mind that the problems at CSIBL (like parallel books of account, wiping out of equity, poor financial condition, etc) were well within the knowledge of Mr. Mahmood Ahmed being both a director and chief executive of both CSBM and CSIBL. This is conclusively established by the fact that he attended the meeting of Board of Directors of CSIBL held on November 28, 2005 wherein CSIBL’s relevant affairs and problems were considered and decisions taken.



32. As regards Siyyid Tahir Nawazish, his denial of any personal knowledge of the unpublished price-sensitive information regarding CSIBL's affairs as mentioned above, needs to be evaluated in light of relevant facts and circumstances. He admits that he was not only a director of CSBM but also an adviser to the Chief Executive Officer of CSIBL. At the same time, he denies being privy to any material non-public information. During the hearing, however, the legal counsel for CSBM directors said that Siyyid Tahir Nawazish had some information regarding financial condition of CSIBL through the Chief Executive Officer of CSBM. It is also an admitted fact that besides being a CSBM director, Siyyid Tahir Nawazish was also the chief executive of JOV at the time transactions in question took place. Having dealt with CSBM on behalf of JOV in respect of the transactions, it is strange how he claims not being privy to the CSBM's decision to sell CSIBL shares to JOV which, according to CSBM, was taken by Mr. Mahmood Ahmed as chief executive of CSBM. It seems artificial how Siyyid Tahir Nawazish could deny any role from CSBM's side and exclusively restrict himself to the role of chief executive of JOV in the transactions in question as if he and Mr. Mahmood Ahmed acted as perfect strangers during the course of transactions.
33. On the other hand, the conduct of Siyyid Tahir Nawazish from the side of JOV was also not very exemplary. The transactions of 24.5 million shares of CSIBL were considerable in size/volume and despite the fact (as stated by some of JOV directors) that a long-term investment view was taken of the transactions, undue haste was shown by Siyyid Tahir Nawazish and neither the JOV Board of Directors nor the Audit Committee of JOV was taken into confidence about the transactions prior thereto. As per JOV letter dated March 22, 2006, there was no General or Special Power of Attorney existing in favour of Siyyid Tahir Nawazish to make such a huge investment decision on behalf of JOV merely in his capacity as its chief executive. Without waiting for proper authorization, he hastily effected the transactions in question on JOV's behalf for reasons best known to him. Such conduct on part of Siyyid Tahir Nawazish only goes to establish that he acted in active collusion with Mr. Mahmood Ahmed in effecting the transactions in question and that too in a manner clearly suggestive of pursuit of a common goal which was apparently to benefit CSBM at the cost of JOV on account of the impending erosion in the share price of CSIBL securities due to the problems at CSIBL.
34. Having addressed the points raised on behalf of the members of Board of Directors of CSBM and based on what has been stated in the preceding paragraphs, I finally come to my findings and decision as stated herein after.
35. I am of the considered view that both members of the Board of Directors of CSBM who were issued a separate SCN each, namely, Mr. Mahmood Ahmed and Siyyid Tahir Nawazish, have contravened the provisions of section 15A of the Ordinance. In this regard, I have concluded as under:
- a. Mr. Mahmood Ahmed, being director and chief executive of CSIBL, was clearly associated with CSIBL. In the like manner, Siyyid Tahir Nawazish being an adviser of the Chief Executive Officer of CSIBL was also associated with CSIBL.

- In any case, by virtue of Mr. Mahmood Ahmed being a director and chief executive of both CSIBL and CSBM, the said two companies were associated companies of each other. As such, both Mr. Mahmood Ahmed and Siyyid Tahir Nawazish, being chief executive/director of CSBM would be deemed to be associated with CSIBL as per Explanation to section 15A of the Ordinance.
- b. Their association with CSIBL continued till the very time when the transactions in question took place on February 1 and 3, 2006.
  - c. They were in possession of material non-public information regarding CSIBL. While Mr. Mahmood Ahmed was clearly in such possession, circumstances and conduct of Siyyid Tahir Nawazish overwhelmingly indicate the latter's knowledge of the same information.
  - d. The said material non-public information regarding CSIBL could be rightly categorized as unpublished price-sensitive information as, firstly, it was not generally available up until after the transactions in question took place; and, secondly, by its contents and nature, it would in all likelihood, and it in fact did, materially adversely affect the price of CSIBL shares.
  - e. Based on the aforementioned unpublished price-sensitive information regarding CSIBL, Mr. Mahmood Ahmed and Siyyid Tahir Nawazish, acting for and on behalf of CSBM, dealt in the CSIBL securities/shares by selling the same to JOV and caused JOV to also deal in CSIBL securities/shares by purchasing the same from CSBM.
  - f. The aforementioned dealing in CSIBL securities enabled CSBM to avoid loss on account of decrease in CSIBL share price after the transactions in question took place and resulted in loss to JOV.
  - g. Both members of the Board of Directors of CSBM, namely, Mr. Mahmood Ahmed and Siyyid Tahir Nawazish, who were issued SCN by me have failed to satisfy me that their aforementioned dealing in CSIBL securities was not made with the intent of making any profit or causing a loss to any person or company or that such dealing was in good faith in discharge of their legal responsibilities.
36. Now, therefore, in exercise of the powers under sub-section (3) of section 15B of the Ordinance delegated to me under section 10 of the Securities and Exchange Commission of Pakistan Act, 1997, I hereby direct CSBM, through its director and chief executive, Mr. Mahmood Ahmed, to forthwith, but in any case not later than 30 days of the issuance of this order, compensate under intimation to the Commission along with necessary evidence , a sum of Rs 182.435 million (Rs One hundred eighty two million four hundred thirty five only) in aggregate as per the following working (  $7.45 \times 20 = \text{Rs } 149.00 \text{ million}$  +  $7.43 \times 4.5 = \text{Rs } 33.435$ ) to JOV , which is an amount equivalent to the cumulative sum of

difference between the price per share ( Rs 12/- for 20 million shares & Rs 11.98 for 4.5 million shares) of all twenty four and a half (24.5) million CSIBL securities paid by JOV to CSBM as part of the transactions in question and the closing market price (Rs 4.55/-) per share of the same number of the same securities as existing on the date of this order.

37. This Order is issued without prejudice to any other action or prosecution that the Commission may initiate against CSBM, its directors, officers or any other person in the matter or matters subsequently investigated or otherwise brought to the knowledge of the Commission.

**(M. Arif Mian)**

Executive Director (Securities Market)

**Announced:  
22<sup>nd</sup> June 2006  
Islamabad**