



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

Before the Commissioner (Securities Market Division)

In the matter of Show Cause Notice No.SMD/Co.62/3/2004-S dated September 23, 2005 issued to Ali Raza under Section 18-A of the Securities and Exchange Ordinance, 1969 for submission of more than one application for subscription of shares of Pakistan Petroleum Ltd. ("the Company" and/or "PPL") which were offered to the general public on July 19-22, 2004.

Date of hearing:

September 30, 2005

Present at hearing:

Representing the applicant:

- i. Mrs. Siddiq Ali Raza (wife of Ali Raza)
- ii. Ms. Mumtaz (Friend of Mrs. Siddiq Ali Raza)

Assisting the Commissioner (SM):

- i. Ms. Jahanara Sajjad Ahmad,
- ii. Mr. Muhammad Saeed Rana,

Joint Director, CI

Junior Executive, CI

ORDER

1. The matter arises from the show cause notice No.SMD/Co.62/3/2004-S dated September 23, 2005 issued by the Securities and Exchange Commission of Pakistan (the Commission) to (i) Mr. Ali Raza s/o Hussain Ali, NIC No.42000-0571918-3, address: A-29, Clayton Garden, Soldier Bazar No.3, Karachi (the applicant) and (ii) Mr. Ali Raza s/o Hussain Ali NIC No.42000-0571918-3, address: A-2, Zafar Manzil, Manakji Street, Soldier Bazar, Karachi.

2. Facts of the case are that Elixir Securities Pakistan (Pvt.) Ltd., Consultant to the Offer, on behalf of Pakistan Petroleum Limited (PPL) vide letter dated September 15, 2004 furnished to the Commission a list of cases of all those applicants which were detected by Sidat Hyder Morshed 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.”.

3. It was observed that Mr. Ali Raza’s case was also detected as a multiple applicant case, as his name was also appearing in the aforementioned list of multiple applicants. Further, it was observed that one application bearing No. 03-015-515 was submitted through Bank Alfalah Limited, M.A. Jinnah Road Branch, Karachi and the other application bearing No.11-12-1566 was submitted through Muslim Commercial Bank Ltd, Clifton Branch, Karachi.
4. The Commission called for a written explanation of the applicant vide letter dated October 06, 2004 at the address mentioned in application No.03-015-515 i.e. KASB A-29, Clayton Garden, Clayton Road, Soldier Bazar No.3, Karachi. A reminder dated December 21, 2004 was issued to the applicant requesting for the reply to the letter dated October 06, 2004. The applicant vide his letter dated December 31, 2004, replied that he had submitted two applications due to oversight, hence his subscription money be refunded.
5. The Commission vide letter dated February 09, 2005 called the explanation of the application on variation in signatures made on both the applications. The applicant vide his letter dated April 12, 2005 replied that he had submitted only one application through Bank Alfalah Limited, M.A. Jinnah Road Branch, Karachi and that some one else had misused his NIC. He requested for refund of his subscription money.
6. In order to ascertain the factual position, written explanation vide Commission’s letter dated April 13, 2005 was sought from the applicant bearing application No.11-12-1566 at the address mentioned in the application at A-2, Zafar Manzil, Manakji Street, Jodia Bazar, Karachi to which no reply has been received till date.

7. During the course of hearing, it was stated by Mrs. Siddiqa Ali Raza (wife of the applicant) that the applicant is currently abroad. She stated that her husband had submitted only one application through Bank Alfalah Limited, M.A Jinnah Road Branch, Karachi and they have no knowledge of the other application submitted through Muslim Commercial Bank Ltd, Clifton Branch, Karachi, using account No. 120856. Upon questioning her that why two different explanations were submitted by the applicant for filing two applications, she stated that some one had advised them that if the applicant admits to the violation of Section 18-A, his subscription money will be refunded. However, since even after that his subscription money was not refunded, he then wrote the factual position to the Commission that some one had filed a fictitious application in his name by misusing a copy of his NIC. The applicant's wife in support of her arguments that her husband is the genuine applicant presented her original NIC and also presented her Nikah Nama. She requested for the allotment of shares against her husband's application No.03-015-515.
8. I have considered the arguments presented before me by the applicant's wife. 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 & signatures. From the facts presented before me, it is evident that application No. 03-015-515 submitted by Mr. Ali Raza through Bank Alfalah Limited, M.A. Jinnah Road Branch, Karachi is genuine, hence Privatisation Commission (the Offerer) may be advised to allot shares against application No.03-015-515 submitted by Mr. Ali Raza through Bank Alfalah Limited, M.A. Jinnah Road Branch, Karachi, as the same was declared successful and detected in post ballot scrutiny.
9. Since no one appeared before me in response to show cause notice No.SMD/Co.62/3/2004-S dated September 23, 2005, claiming Application No.11-12-1566 also filed in the name of Mr. Ali Raza bearing the address A-2, Zafar Manzil, Manakji Street, Soldier Bazar, 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 confiscated against application No.11-12-1566 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. 120856, in the name of Mr. Ali Raza by Muslim Commercial Bank Ltd, Clifton Branch, Karachi without conducting proper due diligence and to take appropriate action against the concerned bank official(s)/individual(s).

Shahid Ghaffar
Commissioner (Securities Market)

Announced:
October 04, 2005,
Islamabad.