



**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 27, 2005 issued to Hashim Khan 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. Mr. Hashim Khan
- ii. Mr. Sharjeel Mughal (Cousin)

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 27, 2005 issued by the Securities and Exchange Commission of Pakistan (the Commission) to (i) Mr. Hashim Khan s/o Tahseen Khan, NIC No.42101-8593916-3, address: House No.R-201, Sector 14-A, North Karachi (the applicant) and (ii) Mr.

Hashim Khan s/o Tahseen Khan NIC No.42101-8593916-3, address: House No.407, 4th Floor, Block-B, Shafiq Plaza, Hari Oudhani, Eidgah, 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. Hashim Khan’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. 08-0009-280 was submitted through Habib Bank Limited, Corporate Centre Branch, S.I.T.E Karachi and the other application bearing No.18-255-1394 was submitted through United Bank Ltd, Karachi Dock Labour Board 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.08-0009-280 i.e. House No.R-201, Sector 14-A, North Karachi. The applicant vide his letter dated December 30, 2004, replied that he had submitted only one application through Habib Bank Limited, S.I.T.E Branch, Karachi, hence shares should be allotted to him.
5. In order to ascertain the factual position, written explanation vide Commission’s letter dated January 12, 2005 was sought from the applicant bearing application No.18-255-1394 at the address mentioned in the application at House No.407, 4th Floor, Block-B, Shafiq Plaza, Hari Oudhani Eidgah, Karachi and the same was returned undelivered. A reminder was sent to Mr. Hashim Khan bearing application No.18-255-1394 through

his Banker to the offer i.e. United Bank Limited, Dock Labour Board Branch, Karachi to which no reply has been received till date.

6. During the course of hearing, it was stated by the applicant that he has submitted only one application No.08-0009-280 through Habib Bank Limited, S.I.T.E Branch, Karachi and that he has no knowledge of the other application submitted through United Bank Ltd, Dock Labour Board Branch, Karachi. It was stated by the applicant that his NIC is used at different places for official purposes and some one has misused his NIC. The applicant in support of his argument that he is the genuine applicant bearing application No. 08-0009-280 presented his original NIC. He requested for the allotment of shares against his application No.08-0009-280.
7. I have considered the arguments presented before me by the applicant. 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. 08-0009-280 submitted by Mr. Hashim Khan through Habib Bank Limited, Corporate Centre, S.I.T.E Branch, Karachi is genuine, hence Privatisation Commission (the Offerer) may be advised to allot shares against application No.08-0009-280 submitted by Mr. Hashim Khan through Habib Bank Limited, Corporate Centre Branch, S.I.T.E, Karachi, as the same was declared successful and detected in post ballot scrutiny.
8. Since no one appeared before me in response to show cause notice No.SMD/Co.62/3/2004-S dated September 27, 2005, claiming Application No. 18-255-1394 also filed in the name of Mr. Hashim Khan bearing the address House No.407, 4th Floor, Block-B, Shafiq Plaza, Hari Oudhani Eidgah, 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.18-255-1394 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.

9. Further, the State Bank of Pakistan (SBP) is requested to investigate the opening of account No. 0112475-8, in the name of Mr. Hashim Khan by United Bank Ltd, Dack Labour Board 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.