



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 Khalida Siddiqui 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. Khalida Siddiqui
- ii. Mr. Riazuddin (Brother)

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) Mrs. Khalida Siddiqui w/o M.Ali Siddiqui, NIC No.42201-0578443-4, address: A-29, Clayton Garden, Soldier Bazar No.3, Karachi (the applicant) and (ii) Mrs. Khalida Siddiqui w/o M.Ali Siddiqui NIC No.42201-0578443-4, address: A-120/640, Jafer-e-Tayyar Society, Malir, 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 Mrs. Khalida Siddiqui’s case was also detected as a multiple applicant case, as her name was also appearing in the aforementioned list of multiple applicants. Further, it was observed that one application bearing No. 08-0064-1367 was submitted through Habib Bank Limited, Malir City Branch, Karachi and the other application bearing No.08-0064-1601 was also submitted through the same Bank and Branch.
4. The Commission called for a written explanation of the applicant vide letter dated October 06, 2004 at the address mentioned in application No.08-0064-1367 i.e. A-1, Bagh-e-Ibrahim Karachi. The applicant vide her letter dated November 01, 2004, replied that she had submitted only one application through Habib Bank Limited, Malir City Branch, Karachi, hence shares should be allotted to her.
5. In order to ascertain the factual position, written explanation vide Commission’s letter dated December 14, 2004 was sought from the applicant bearing application No.08-0064-1601 at the address mentioned in the application at A-120/640, Jafar-e-Tayyar Society, Malir, Karachi. Subsequently, a reminder was also sent to Mrs. Khalida Siddiqui bearing application No.08-0064-1601 through her Banker to the offer i.e. Habib Bank Limited, Malir City Branch, Karachi, however no reply has been received till date.

6. During the course of hearing, it was stated by the applicant's brother that he had spoken to the Manager Habib Bank Limited, Malir City Branch, Karachi regarding filing of the fictitious application No.08-0064-1601, who then admitted that the said applicant was fake and apologized for the mistake. The applicant in support of her arguments presented her original NIC and certificate from her Banker, Habib Bank Limited, Malir City Branch, Karachi stating that she is the holder of the account No.8760-8 and that account No.26608-7 does not pertain to her. She further said that she is the genuine applicant and had filed only one application No.08-0064-1367. She requested the Commission for the allotment of shares against her application No.08-0064-1601.
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. 08-0064-1367 submitted by Mrs. Khalida Siddiqui through Habib Bank Limited, Malir City Branch, Karachi is genuine, hence Privatisation Commission (the Offerer) may be advised to allot shares against application No.08-0064-1367 submitted by Mrs. Khalida Siddiqui through Habib Bank Limited, Malir City Road Branch, 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 23, 2005, claiming Application No.08-0064-1601 also filed in the name of Mrs. Khalida Siddiqui bearing the address A-120/640, Jafer-e-Tayyar Society, Malir, 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.08-0064-1601 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. 26608-7, in the name of Mrs. Khalida Siddiqui by Habib Bank Ltd, Malir City 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.