



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

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**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 Mushtaq Ahmed 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.

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**Date of hearing:**

**September 28, 2005**

**Present at hearing:**

Representing the applicant:

- i. Mr. Mushtaq Ahmed
- ii. Mr. Ashfaq Ahmed (Brother)

Assisting the Commissioner (SM):

- i. Ms. Jahanara Sajjad Ahmad,
- ii. Mr. Amir M. Khan Afridi,
- iii. Mr. Muhammad Saeed Rana,

Joint Director, CI

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. Mushtaq Ahmed s/o Ghulam Yaseen, NIC No.35200-4858981-7, address: House No.485, Sector A-II, Block No.6, Township, Lahore (the applicant) and (ii) Mr. Mushtaq

Ahmed s/o Ghulam Yaseen NIC No.35200-4858981-7, address: Room No.306, Lahore Stock Exchange, Lahore.

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. Mushtaq Ahmed’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. 01-208-1802 was submitted through Allied Bank Ltd., Township Branch, Lahore and the other application bearing No.3-48-1634 was submitted through Bank Alfalah Ltd, Lahore Stock Exchange Branch, Lahore.
4. The Commission called for a written explanation of the applicant vide letter dated October 06, 2004 at the address mentioned in application No.3-48-1634 i.e. KASB Room No.306, Stock Exchange Building, Lahore. The same was also sent through his Banker to the offer i.e. Bank Alfalah Limited on December 07, 2005, however, no reply has been received till date.
5. In the meanwhile, on December 02, 2004, the Commission received a facsimile message from Mr. Mushtaq Ahmed wherein it was stated that he has submitted only one application No.01-208-1802 through Allied Bank Limited, Township Branch, Lahore and denied submitting any other application. He requested that shares be allotted to him.
6. During the course of hearing, it was stated by the applicant that he has submitted only one application through Allied Bank Ltd, Township Branch, Lahore and that the other application was submitted in Bank Alfalah Limited, Lahore Stock Exchange Branch, Lahore without his knowledge and consent. He presented his original NIC in support of his argument that he is

the genuine applicant and a letter requesting the Commission to take action against the individuals concerned, who filed the other application No.3-48-1634 in his name. He requested for the allotment of shares against his application.

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. 01-208-1802 submitted by Mr. Mushtaq Ahmed through Allied Bank Ltd., Township Branch, Lahore is genuine, hence Privatisation Commission (the Offerer) may be advised to allot the shares against the same as it was declared successful and was detected in the 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.3-48-1634 also filed in the name of Mr. Mushtaq Ahmed bearing the address Room No.306, Stock Exchange Building, Lahore, 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.3-48-1634 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. 02001472 in the name of Mr. Mushtaq Ahmed by Bank Alfalah Ltd, Lahore Stock Exchange Branch, Lahore 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.***