



**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.62/1/2003-S dated September 23, 2005 issued to Ali Khan Turk under Section 18-A of the Securities and Exchange Ordinance, 1969 for submission of more than one application for subscription of shares of Oil & Gas Development Company Ltd. (“the Company” and/or “OGDCL”) which were offered to the general public on November 10-14, 2003.

Date of hearing:

September 30, 2005

Present at hearing:

Representing the applicant:

i. Mr. Ali Khan Turk

Assisting the Commissioner (SM):

i. Ms. Jahanara Sajjad Ahmad,

Joint Director, CI

ii. Mr. Muhammad Saeed Rana,

Junior Executive, CI

ORDER

1. The matter arises from the show cause notice No.SMD/Co.62/1/2003-S dated September 23, 2005 issued by the Securities and Exchange Commission of Pakistan (the Commission) to (i) Mr. Ali Khan Turk s/o Ebrahim Khan, NIC No.521-52-200898, address: Risk Management Group, 11th Floor, National Bank of Pakistan, Head Office, Karachi (the applicant) and (ii) Mr. Ali Khan Turk s/o Ebrahim Khan NIC No.521-52-200898, address: R-497, Sector 33-E, Korangi, Karachi.

2. Facts of the case are that KASB Securities Pakistan (Pvt.) Ltd., Consultant to the Offer, on behalf of Oil & Gas Development Company Limited (OGDCL) vide letter dated December 26, 2003 furnished to the Commission a list of cases of all those applicants which were detected by Nobel Computer Services (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 Khan Turk’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. 13-002-143 was submitted through National Bank of Pakistan, Main Branch, Karachi and the other application bearing No.09-1642-039 was submitted through Habib Bank Ltd, Korangi Branch, Karachi.
4. The Commission called for a written explanation of the applicant vide letter dated January 21, 2004 at the address mentioned in application No.13-002-143 i.e. Risk Management Group, 11th Floor, National Bank of Pakistan, Head Office, Karachi. The applicant vide his letter dated January 28, 2004, replied that he had submitted only one application and requested for allotment of shares.
5. In order to ascertain the factual position, written explanation vide Commission’s letter dated April 23, 2004 was sought from the applicant bearing application No.09-1642-039 at the address mentioned in the application at R-497, Sector E-33, Korangi, Karachi. The applicant bearing application No.09-1642-039 had replied vide letter dated May 13, 2004 admitting that he submitted two applications and that he was not aware of the provisions of the Section 18-A of the Securities and Exchange Ordinance, 1969. He further requested for allotment of shares or refund of his subscription money.
6. During the course of hearing, it was stated by the applicant has stated that he had no knowledge of the other application submitted through Habib Bank Ltd, Korangi Area Branch, Karachi, using account No.16478-0 which was opened and operated without his

knowledge and consent. The applicant presented his original NIC (both old & new) in support of his arguments that he is Mr. Ali Khan Turk and is the genuine applicant bearing application No. 13-002-143. He requested for the allotment of shares against his application.

7. I have considered the arguments presented before me by the applicant's. 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. 13-002-143 submitted by Mr. Ali Khan Turk through National Bank of Pakistan, Main Branch, Karachi is genuine, hence Privatisation Commission (the Offerer) may be advised to allot shares against application No.13-002-143 submitted by Mr. Ali Khan Turk through National of Pakistan, Main 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.62/1/2003-S dated September 23, 2005, claiming Application No. 09-1642-039 also filed in the name of Mr. Ali Khan Turk bearing the address R-497, Sector E-33, Korangi, 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.09-1642-039 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. 16478-0, in the name of Mr. Ali Khan Turk by Habib Bank Ltd, Korangi Area 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 05, 2005,
Islamabad.