



**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 Muhammad Bilal 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. Muhammad Bilal
- ii. Mr. Abdul Samad (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.62/1/2003-S dated September 23, 2005 issued by the Securities and Exchange Commission of Pakistan (the Commission) to (i) Mr. Muhammad Bilal s/o Abdul Ghaffar, NIC No.508-78-358302, address: Flat No.8, Noorani Manzil, Gali No.6, Moosa Lane, Karachi (the applicant) and (ii) Mr. Muhammad Bilal s/o Abdul Ghaffar NIC No.508-78-358302, address: WP 12/69, 1st Floor, Driya Lal Street, Jodia Bazar, 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. Muhammad Bilal’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. 11-021-85 was submitted through Metropolitan Bank Ltd., North Napier Road Branch, Karachi and the other application bearing No.09-010-50 was submitted through Habib Bank Ltd, Jodia Bazar 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.11-021-85 i.e. Flat No.8, Noorani Manzil, Gali No.6, Moosa Lane, Karachi. The applicant vide his letter dated February 01, 2004, replied that he had submitted only one application through Metropolitan Bank Ltd., North Napier Road Branch, Karachi 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.09-010-50 at the address mentioned in the application at WP 12/69, 1st Floor, Driya Lal Street, Jodia Bazar, Karachi-74000. The applicant bearing application No.09-010-50 had replied vide letter dated May 28, 2004 that he was not aware of the provisions of the Section 18-A of the Securities and Exchange Ordinance, 1969 and requested for condonation of his mistake and refund of his subscription money.

6. In the meanwhile, the Commission received a letter dated August 20, 2004 from the applicant bearing application No.11-021-85, wherein once again stated that he has submitted only one application through Metropolitan Bank Limited, North Napier Road Branch, Karachi.
7. During the course of hearing, it was stated by the applicant that he had no knowledge of the other application submitted through Habib Bank Ltd, Jodia Bazar Branch, Karachi, using account No.10616-1 which was opened and operated without his knowledge and consent. It was stated by the applicant that opening of the fictitious account was a matter of concern for him and that he had visited the Habib Bank Limited, Jodia Bazar Branch Karachi and inquired about the said fictitious account which was opened in his name. The applicant presented his original NIC (both old & new) and a copy of his application form submitted for subscription of shares of OGDCL stating that he is the genuine applicant bearing application No. 11-021-85. He requested the Commission for the allotment of shares against his application.
8. 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. 11-021-85 submitted by Mr. Muhammad Bilal through Metropolitan Bank Ltd., North Napier Road Branch, Karachi is genuine, hence Privatisation Commission (the Offerer) may be advised to allot shares against application No.11-021-85 submitted by Mr. Muhammad Bilal through Metropolitan Bank Ltd., North Napier 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.62/1/2003-S dated September 23, 2005, claiming Application No. 09-010-50 also filed in the name of Mr. Muhammad Bilal bearing the address WP 12/69, 1st Floor, Driya Lal Street, Jodia Bazar, Karachi-74000, 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.09-010-50 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. 10616-1, in the name of Mr. Muhammad Bilal by Habib Bank Ltd, Jodia Bazar 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.