



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.62/2/2004-S dated March 02, 2005 issued to Mrs. Tahira Gull under Section 18-A of the Securities and Exchange Ordinance, 1969 for submission of more than one application for subscription of shares of Bank Alfalah Ltd. (the "Bank") which were offered to the general public on May 17-18, 2004.

Date of hearing:

March 15, 2005

Present at hearing:

Representing the applicant:

- i. Mrs. Tahira Gull
- ii. Mr. Abrar Ahmad (Husband of the applicant)

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.62/2/2004-S dated March 02, 2005 issued by the Securities and Exchange Commission of Pakistan (the Commission) to (i) Mrs. Tahira Gull d/o Malik Bashir Ahmed, NIC No.244-90-575378, address: 158-K, Gulistan Colony, Faisalabad (the applicant) and (ii) Mrs. Tahira Gul d/o Malik Bashir Ahmed NIC No.244-90-575378, address: House No.2-Y-6, Road 107, Madina Town, Faisalabad.

2. Facts of the case are that Bank Alfalah Ltd (the Bank), on behalf of sponsoring shareholders of the Bank (the Offerer) vide letter dated June 07, 2004 furnished to the Commission a list of cases of all those applicants which were detected by Uni Corporate and Financial Services (Pvt) Ltd (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.”.

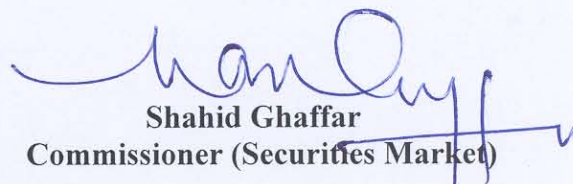
3. It was observed that Mrs. Tahira Gull’s case was also detected as a multiple applicant case, as her name was also appearing in the aforementioned list of multiple applicants. Further, it was observed that one application bearing No. 07-0143-49 was submitted through Habib Bank Ltd., Circular Road Branch Faisalabad and the other application bearing No.11-96-1678 was submitted through Muslim Commercial Bank Ltd, Circular Road Branch, Faisalabad.
4. The Commission called for a written explanation of the applicant vide letter dated July 12, 2005 at the address mentioned in application No.07-0143-49 i.e. 158-K, Gulistan Colony, Faisalabad. The applicant vide her letter dated June 16, 2004 which was received in this office on July 19, 2004, replied that she had submitted only one application through Habib Bank Ltd., Circular Road Branch Faisalabad and requested for refund of subscription money.
5. In order to ascertain the factual position, written explanation vide Commission’s letter dated July 29, 2004 was sought from the applicant bearing application No.11-96-1678 at the address mentioned in the application at House No.2-Y-6, Road 107, Madina Town, Faisalabad. Mrs. Tahira Gul vide her letter dated nil received in this office on August 09, 2004 stated that she had submitted more than one application inadvertently and requested for refund of subscription money.
6. In the meanwhile, on December 15, 2004, the Commission received a letter from Mrs. Tahira Gull bearing application No.07-0143-49, wherein she enclosed an affidavit alongwith a certificate dated September 29, 2004 issued by her Banker certifying that she is an account holder at Habib Bank Ltd., Circular Road Branch, Faisalabad holding account No.741-6 which is genuine and that she

had submitted only one application i.e. application No.07-0143-49 for subscription to the shares of Bank Alfalah Ltd., using the said Bank account.

7. Mrs. Tahira Gull bearing application No.07-0143-49 then served a legal notice dated February 16, 2005 to the Chairman, Securities and Exchange Commission of Pakistan through her lawyer Mr. Ch.Noor Ahmad Pannu, Advocate High Court, 12-Distt: Courts, Faisalabad, wherein it was stated that she had applied to the shares of Bank Alfalah Ltd., through application No.07-0143-49 only and that if the Commission did not take any action within 15 days from the receipt of the legal notice, a civil suit would be filed against it.
8. The Commission vide letter dated March 01, 2005 called information regarding the account No.9660-7 at Muslim Commercial Bank Ltd, Circular Road Branch, Faisalabad. The Manager of the Muslim Commercial Branch Ltd, Circular Road Branch Faisalabad, vide letter dated March 11, 2005 has stated that account No.9660-7 is jointly maintained by the four persons Sohail Aziz, Ghulam Qadir, Tahira Gul & Kausar Aziz.
9. During the course of hearing, it was stated by the applicant that she is working as OG-II (in-charge Saving Department) in Habib Bank Ltd, Circular Road Branch, Faisalabad, and maintaining official account No.741-6. It was further stated by the applicant that she has submitted only one application through Habib Bank Ltd, Circular Road Branch, Faisalabad and the other application was submitted by a person named Ms. Afsheen who confessed over the telephone to the applicant that she was the one who had filed the other application in Tahira Gull's name. The applicant said that Ms. Afsheen then requested her to show her as her relative before the Commission. The applicant clarified that she is neither related to nor does she know Ms. Afsheen. The applicant also stated that she does not hold any account with Muslim Commercial Bank Ltd, Circular Road Branch, Faisalabad and that the same was opened and operated without her knowledge and consent. It was stated by the applicant that opening of the fictitious account was a matter of concern for her and that she would inquire from Muslim Commercial Bank Ltd, Circular Road Branch, Faisalabad that how the account No.9660-7 was opened without her knowledge and consent. She presented her original NICs both old & new, Passport and Nikah Nama in support of her arguments that she is Mrs. Tahira Gull and is the genuine applicant bearing application No. 07-0143-49. She requested the Commission for the allotment of shares against her application.



10. I have considered the arguments presented before me by the applicant quite carefully. 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. 07-0143-49 submitted by Mrs. Tahira Gull through Habib Bank Ltd., Circular Road Branch, Faisalabad is genuine, hence the Offerer may be advised to consider application No.07-0143-49 submitted through Habib Bank Ltd., Circular Road Branch, Faisalabad by Mrs. Tahira Gull for balloting, as it was detected in the Pre-ballot scrutiny.
11. Since no one appeared before me in response to show cause notice No.SMD/Co.62/2/2004-S dated March 02, 2005, claiming Application No.11-96-1678 also filed in the name of Mrs. Tahira Gul bearing the address House No.2-Y-6, Road 107, Madina Town, Faisalabad, 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. Bank Alfalah Limited is advised to deposit the subscription money confiscated against application No.11-96-1678 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.
12. Further, the State Bank of Pakistan (SBP) is requested to investigate the opening of account No. 9660-7, in the name of Sohail Aziz, Ghulam Qadir, Tahira Gull & Kausar Aziz in Muslim Commercial Bank Ltd, Circular Road Branch, Faisalabad without conducting proper due diligence. Based on the findings of the investigation carried out, SBP is requested to take appropriate action against the concerned individuals/parties under intimation to this office.


Shahid Ghaffar
Commissioner (Securities Market)

Announced:
September 02, 2005,
Islamabad.