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A. SCOPE OF INVESTIGATION AND STRUCTURE OF FINAL REPORT

1. SCOPE OF INVESTIGATION

1. When the current JIT was constituted by the august Supreme Court, twenty-nine (29) Fake / Front Accounts had already been identified by the internal JIT of FIA. The current JIT explored 11500 bank accounts of 924 account holders associated with the above mentioned accounts. Fifty-nine (59) Suspicious Transaction Reports (STRs) and 24500 Cash Transaction Reports (CTRs) associated with the above mentioned accounts were scrutinized along with the loan profile of 924 individuals and entities.

2. Keeping in view the high quantum of transactions, a threshold of Rs 10 Million was set to track, follow and minutely investigate the flow of funds beyond the immediate counter parties and determine the source of funds and ultimate beneficiaries.

3. The JIT summoned 885 persons, however 767 appeared and were examined by the JIT whereas 118 did not appear (Ref. ANNEX-1 for details of persons summoned, appeared and not appeared) before the JIT and could not be examined. A total of four (04) accused namely Khawaja Anver Majid, Khawaja Abdul Ghani Majid, Hussain Lowai and Taha Raza were arrested by FIA in FIR 04/2018 SBC Karachi and they are presently in judicial custody. Total five (05) accused against whom warrant of arrest have been issued by the special court (Bank Offences) Karachi, are absconding abroad as per IBMS record of FIA immigration, viz.

- Aslam Masood, CFO Omni Group (arrested by Interpol in Saudi Arabia).
- Muhammad Arif, Accountant Omni Group (UAE).
- Nasser Abdullah Lootah, Chairman Summit Bank (UAE national).
- Muhammad Umair, employee of Omni Group (UAE).
- Azam Wazir Khan, M/s Paradise Travels (UAE).
- Younas Kudwai

4. On the request of JIT, through NCB-Interpol Islamabad, INTERPOL Headquarter Lyon, France is processing the request for Red Notices for the above mentioned

absconding. Moreover, the JIT has restrained the travel out of country by placing one-hundred and forty-seven (147) persons required for the investigations on Provisional National Identification List (PNIL) - (Ref. ANNEX-2 for list of persons whose names have been included in PNIL).

5. The JIT has initiated the Mutual Legal Assistance (MLA) requests with various international jurisdictions. [The complete details and evidence pertaining to MLAs are contained in the report 'JIT INVESTIGATION REPORT NO. 25 MARKED AS "CONFIDENTIAL".]

2. STRUCTURE OF (PRESENT) FINAL REPORT BY THE JOINT INVESTIGATION TEAM (JIT)

6. The final investigation report by the JIT constituted by the august Supreme Court of Pakistan in the instant HRC No. 39216-G of 2018 constitutes primarily of this **“MAIN (SYNTHESIS) REPORT / FINDINGS OF INVESTIGATION BY THE JIT”** which comprises 128 pages 95 Annexures appended to this Main (Synthesis) Report as evidence.

7. The Main (Synthesis) Report is based on the evidence available with the JIT and reflects a synopsis of the Twenty-eight (28) **“FINAL INVESTIGATION REPORTS”** prepared by Designated Co-Opted Members / Investigation Officers under the direct supervision of the JIT. These investigation reports have also been submitted in the august Supreme Court of Pakistan as an integral part of the final investigation of the JIT. The institutions, agencies and regulators which will be conducting follow up actions and investigations, shall be provided the relevant investigation reports for their guidance, as per the directions of this august Forum. The list of twenty-eight (28) final investigation reports, which have also been referenced in this Main (Synthesis) Report, is placed at ANNEX-3.

8. Additionally, all the record which was procured or seized during the course of investigation has been properly indexed and submitted along with the above mentioned reports in steel boxes properly labelled.

B. INTRODUCTION / BACKGROUND OF THE CASE

i. Source Report 2015

9. An Enquiry No. 70/2015 was initiated on 06.10.2015 by Anti-Corruption Circle (ACC) of FIA, Karachi on a source report alleging massive suspicious inter and intra bank transactions in the following 04 'Fake Accounts' of 02 branches of Summit Bank, which apparently did not match with the profiles of accounts holders and seemed as instruments for parking illegal money:

S	A/c. number & Title	Transaction Period		Transaction (Rs)
		Opened	Closed	
1	1-2-28-20620-714-139111 'A-One International'	06-03-2014	12-01-2015	4.4 Billion
2	1-2-28-20620-714-140352 'Iqbal Metal'	03-06-2014	12-01-2015	3 Billion
3	1-2-1-20620-714-135339 'Lucky International'	28-02-2014	14-10-2016	2.8 Billion
4	1-2-1-20620-714-157355 'Umair Associates'	11-04-2014	03-06-2015	6.3 Billion

ii. STRs by FMU 27-12-2017

10. During pendency of the enquiry, a Suspicious Transactions Report ("STR") was received on 07-12-2017 from the Financial Monitoring Unit ("FMU"), which contained 29 suspicious accounts, including above mentioned four accounts. These 29 accounts contained 16 at Summit Bank, 08 at Sindh Bank and 05 at UBL. All the accounts were opened in the names of individuals/ sole proprietorships firms for a particular period of time. In total, Rs. 35 Billion were transacted in these accounts and used for money laundering. The profiles of account holders grossly mismatched with the massive transactions. Accordingly, Enquiry No. 03/2018 dated 26 January 2018 was registered at State Bank Circle, FIA Karachi to probe into the suspicious opening and operation of these accounts. The previous enquiry (No. 70/2015) of ACC, FIA Karachi was also merged in it and the investigation was entrusted to Muhammad Ali Abro, Assistant Director, FIA State Bank Circle Karachi. Initial probe revealed that these accounts were opened/ operated on the instructions of Aslam Masood, Chief Financial Officer, and Muhammad Arif Khan, an Accountant of 'Omni Group' (a group of companies owned by Anver Majid family), in connivance with the concerned banks. Main debtors and creditors included Omni Group, Bahria Town, Zardari Group, Parthenon Pvt. Ltd, Zain Malik (Son-in-Law of Malik Riaz Hussain, CEO Bahria Town Pvt. Ltd.), Arif Habib and a group of contractors/ builders

including, Mustafa Memon, Sardar Ashraf D Bloch and Sher Muhammad Mugheri etc.

iii. FIR No. 04/2018 06-07-2018

11. On 06-07-2018, the enquiry to the extent of one fake Account No. A/c No. 1-2-28-20620-714-139111 in the name of Tariq Sultan titled as 'A-One International' Summit Bank Khayaban-e-Tanzeem Branch Karachi was converted into Case FIR No. 04/2018 U/s- 419/420/468/471/477-A/109 PPC r/w 5(2) PCA 1947 & ¾ AMLA 2010. The accused total 24 (operators, beneficial owners, abettors and bankers) including

- Anver Majid s/o Abdul Majid, head of Omni Group
- Abdul Ghani Majid s/o Anver Majid
- Aslam Masood S/o Masood-ul-Haq Malik, CFO Omni Group
- Muhammad Arif Khan S/o Abdul Wadood, Accountant Omni Group
- Noreen Sultan w/o M. Shamoan Ali (the then Relationship Manager Summit Bank Khayaban-e-Tanzeem Branch)
- Kiran Aman w/o Aman Noor Ali (the then Operation Manager, Summit Bank Ltd, Khayaban-e-Tanzeem Branch)
- Adeel Shah Rashidi S/o Hassan Shah Rashidi CNIC No 42301-0820518-5 the then Branch Manager Summit Bank Khayaban-e-Tanzeem Branch
- Taha Raza S/o Naqi Raza, Unit Corporate Head, Summit Bank Ltd
- Hussain Lowai S/o Haji Moosa, the then President Summit Bank
- Nasser Abdullah Lootah Chairman Summit Bank
- Mrs Faryal Talpur
- Mr Asif Ali Zardari

iv. Suo Moto by SC 29-06-18

12. On 29-06-2018 the august Supreme Court of Pakistan took cognizance of the matter in Human Rights Case No. 39216-G of 2018 (*regarding slackness in the progress of pending enquiries relating to fake bank accounts, etc.*) and asked for a report in the matter. On 07-07-2018, the Director General FIA constituted an internal Joint Investigation Team (JIT) under Mr. Najaf Quli Mirza, Additional Director General FIA South Karachi, to expedite the investigation. The internal JIT of FIA submitted six (06) fortnightly reports to the Hon'ble Supreme Court of Pakistan.

v. Constitution of JIT by the august Supreme Court of Pakistan - 05-09-2018

13. Subsequently on 05-9-2018 the august Supreme Court of Pakistan constituted a JIT in the subject matter "*for the purpose of conducting a thorough, in depth and incisive investigation and probe into the matter of fake bank accounts subject matter of these proceedings to get to the truth, uncover the persons involved and collect all material evidence for the purpose of ensuring that in case an offence is made out, the persons involved therein are properly prosecuted*".

vi. Methodology

14. After making necessary arrangements for making the JIT operational, JIT set up its Secretariat in FIA Office, Gulistan-e-Johar, Karachi and held its first formal meeting on 12-09-2018. After due deliberation, JIT finalized the methodology in light of the order dated 05-09-2018 of the august Supreme Court of Pakistan for the purposes of ascertaining its role and responsibilities.

[The complete details and evidence pertaining to this section are contained in the report 'FINAL INVESTIGATION REPORT NO. 1 titled "Background of the Case".]

C. FINAL FINDINGS OF INVESTIGATION BY THE JIT

1. CREATION & OPERATION OF '32 FAKE ACCOUNTS / 11 FAKE ENTITIES' AND THE MODUS OPERANDI OF LAUNDERING PROCEEDS OF CRIME

15. This section narrates the creation & operation of '32 Fake Accounts / 11 Fake Entities' and the *modus operandi* used for laundering proceeds of kickbacks, land grabbing, large scale misappropriations of public funds, financial and other crimes through these 'Fake Accounts'. The subsequent sections will give an incisive overview and findings emanating from the dealings closely associated with the operation of these 'Fake Accounts'.

a) CREATION & OPERATION OF '32 FAKE ACCOUNTS / 11 FAKE ENTITIES' WITH TURNOVER

16. The probe into 'Fake Accounts' revealed that the Thirty-two (32) Fake / Front Accounts were opened and operated, through the following banks, purposively to facilitate money laundering in an organized and structured manner.

S	Bank	Number of Fake Accounts operated through the bank	Turnover in Fake Accounts operated through the bank (Rs Million)
1	Summit Bank	15	26590
2	UBL	08	7930
3	Sindh Bank	07	6186
4	MCB	01	905
5	Faysal Bank	01	761
TOTAL		32	42373

17. The first 'Fake Account' (M/s Lucky International) was opened in January 2010. These 32 'Fake Accounts' remained very active till January 2017. The JIT worked exhaustively to minutely examine 13809 transactions of these Thirty-two (32) Fake Accounts (separate data base of 13809 transactions prepared and available with member SBP). The complex web of layering within the Fake Accounts (1245 transactions amounting to Rs 14.92 Billion) was decoded to establish end-to-end money trail. A Flow Diagram has been prepared on the basis of this tracking-analysis and is available in Section 3a (2) below (Ref. ANNEX-4 for detailed Flow Diagram of transactions through thirty- two (32) Fake Accounts).

18. For the purpose of operation of these Fake / Front (cover) Accounts, Omni Group created eleven (11) 'Fake Entities' (sole proprietorships) which had no assets or business of their own but were created to act as vehicles to launder proceeds of crime.

Eleven (11) 'Fake Entities'

S	Fake Entity (not registered anywhere but used to open Fake Accounts)	Owned By (as per Account opening forms of Fake Account)	Fake Accounts Operated By	No of Fake Accounts	Turnover in Rs Million
(1)	Umair Associates Final Investigation Report No. 2H	Muhammad Umair (Office Boy Omni / Presently KAM Crown LLC, Dubai)	Aslam Masood, Chief Financial Officer of Omni Group (Absconder) and M. Arif Khan, Accountant Omni Group.	07	10071
(2)	Iqbal Metals Final Investigation Report No. 2E	Iqbal Arain (died on 09-05-2014), sanitary store worker. His two accounts with credit turnover were opened and operated in Summit Bank after his death.		04	4643
(3)	Logistic Trading Final Investigation Report No. 2F	Muhammad Ashraf (Omni Employee / Rider)		05	1968
(4)	A-One International Final Investigation Report No. 2C	Tariq Sultan (Pvt Clearing Agent)		05	8466
(5)	Royal International Final Investigation	Qasim Ali (Omni Employee / Rider)		03	1429

	Report No. 2M			
(6)	Ibrahim Linkers Final Investigation Report No. 2D	Erum Aqeel (House Wife)		01 1075
(7)	Lucky International Final Investigation Report No. 2G	Adnan Javed (Computer Hardware Technician)		03 8981
(8)	Ocean Enterprises Final Investigation Report No. 2K	Muhammad Qadir (<i>Falooda wala</i>)		01 1995
(9)	Dream Trading Final Investigation Report No. 2J	M.Rasheed (<i>Rikshaw wala</i>)		01 2397
(10)	Royal Traders	Ahmed Anoush (Desi Quilt Seller)		01* 761
(11)	Gateway Iron Steel Final Investigation Report No. 2L	Irfan Suleiman (Madni TV Channel Employee)		01 586
	Total			32 42372*

* Actual amount is Rs 42373 Million, however in above table figures have been rounded to nearest Million.

19. Apart from Muhammad Umair, seven (07) cover (frontman's) accounts and Muhammad Ashraf, one (01) cover (frontman's) account, who are minion Omni Employees, none of the above individuals were aware that 'Fake Entities 'had been

created in their names and were being used to launder billions of Rupees through 'Fake Accounts' in the names of these 'Fake Entities'.

20. Muhammad Umair is absconding since initiation of FIA Anti-Corruption Circle (Karachi) Enquiry no 70 / 2015 and is reportedly working at KAM Crown LLC, Dubai (a subsidiary offshore company of Omni Group). The thumb impression of Muhammad Umair affixed on the letter of authorization to bank allowing Aslam Masood (CFO Omni Group) to operate account of Umair Associates on his behalf have been confirmed by NADRA as genuine. However, the writing on the instruments (cheques signed by Muhammad Umair) has matched with the handwriting of Arif Khan (Accountant Omni Group). This shows the close collusion between Muhammad Umair, Arif Khan and Aslam Masood of Omni Group on one hand and the bank officials operating 'Fake Accounts' on the other.

21. Muhammad Ashraf has been examined and he is also not aware about the opening and operation of four out of five accounts in the name of Logistic Trading – a 'Fake Entity' created in his name. Hence, practically apart from Muhammad Umair, who himself is an ordinary employee of Omni Group, none of the above persons were aware about the misuse of their identities and fraudulent use of the same for opening and operation of 'Fake Accounts' using forged Account Opening Forms (AOF) and Account Operation instruments (cheques, pay-orders etc) for the purpose of organized money-laundering.

i. Creditors to and Withdrawers from 'Fake Accounts' (Amount in Millions)

22. The 'Fake Accounts were opened and operated through Omnis' employees. However, these accounts remained engaged in direct transactions with Zardari Group/ Family, Bahria Town, Government Departments / Contractors of Sindh Government.

ii. Ultimate Beneficiary of the Transactions

23. The withdrawers of laundered money from the 'Fake Accounts' are presented in the flow diagram (Ref. ANNEX-4 for detailed flow diagram of transactions through thirty- two (32) 'Fake Accounts'). However, the ultimate hidden beneficiaries of this money laundering cartel was primarily the family which patronized the Omni Group (Cartel).

b) OPERATION OF 'FAKE ACCOUNTS'

24. The 32 'Fake Accounts' were opened in the names of eight (08) random ordinary citizens of the country and three (03) minion Omni employees misusing their CNICs in connivance primarily with the top management of Summit and Sindh Banks. Summit Bank and Sindh Bank which have acted as the primary banks for money laundering through these accounts. The top executives of these banks (Hussain Lowai and Bilal Sheikh) personally monitored the transactions through 'Fake Accounts' (Ref. Paras 28, 63, 130 and 200 for evidence regarding the top executives). The involvement of these banks goes beyond money laundering and are therefore narrated separately along with the relevant evidence in this report.

25. These accounts were opened in deliberate violation of the mandatory SBP Prudential Regulations pertaining to Anti-Money Laundering (AML) and Countering of Terrorism Finance (CTF), and this aspect has been dealt in detail in the subsequent sections (Ref. Para 296) which examine the abject failure of regulatory institutions like SBP in checking this money laundering cartel.

26. Business addresses mentioned in account opening forms of Fake Business Entities were mostly International Business and Shopping Centre (IBSC), Saddar, Karachi which is owned by M/s Park Lane Pvt Ltd. M/s Park Lane Pvt Ltd. has beneficial ownership of Mr. Asif Ali Zardari and Mr Bilawal Zardari and has been discussed later in this report along with its role in misappropriation of Rs 1.5 Billion.

27. Aslam Masood, CFO and Arif Khan, Accountant Omni Group were deputed for operation of these 'Fake Accounts'. The riders of Omni Group, namely Qasim Ali, Hassan Brohi and Muhammad Umair etc. were the foot-soldiers who made deposits and withdrawals from these accounts.

28. The managers of the concerned branches of Summit Bank (Uni Tower I.I Chundrigar Road and Khayaban-e-Tanzeem DHA Branch), Sindh Bank (Gol Market Branch and Khayaban-e-Shahbaz Branch), UBL (SMCHS Branch and Avari Tower Branch) and Faysal Bank (Burns Road Branch) used to personally facilitate the operation of these Fake Accounts. For Example, Mrs Sarwat Azeem, Manager Khayaban-e-Shahbaz Branch Sindh Bank, who is wife of Khalid Rao, Sub Inspector / former SHO PS Memon Goth Karachi (Anver Majid Farms area), put herself as

introducer while opening Fake Accounts of Logistic Trading and Ibrahim Linkers in her branch.

Adeel Shah Rashidi, Manager Khayaban-e-Tanzeem Branch Summit Bank, opened two Fake Accounts of Mr Muhammad Iqbal Arain –posthumous, on receipt of Fake Account Opening Form (Ref. ANNEX-5 for copy of Fake Account Opening Form) directly from President Summit Bank, Hussain Lowai through Arif Khan, Accountant.

c) THE MODUS OPERANDI– THREE CLASSICAL STAGES OF MONEY LAUNDERING

29. Money laundering is defined in Anti Money Laundering Act– 2010 (AMLA), when a person “conceals or disguises the true nature, origin, location, disposition, movement or ownership of property, knowing or having reason to believe that such property is proceeds of crime.” The three stages of laundering of proceeds of crime are well established in international jurisprudence, viz., placement, layering and integration.

i. Stage-1: “PLACEMENT”

30. As a classical textbook first step of money-laundering funds from proceeds of crime and unlawful sources of income are placed in various apparently unrelated accounts. Sometimes, the actual amounts of proceeds are split into smaller amounts before placement, which is called *Smurfing*. This classical pattern of placing proceeds of crime into the financial system ('Fake Accounts') has been identified by the JIT. The subsequent section details all proceeds of crime which were placed into these 'Fake Accounts'.

31. However, in at least two (02) instances, it was detected that the collusive enterprise behind 'Fake Accounts' was able to destroy the evidence before the JIT could reach it:

- A huge record / evidence was incinerated at Khoski Sugar Mills. JIT recovered a hard drive and remnants of burnt record which revealed that it pertained to kickbacks and international transactions related to money-laundering

- Portion of IT record of NBP Avari Tower Branch was not made available and suspected to be deleted. The NBP administration has been unable to provide manual record corresponding to the deleted data till date

ii. **Stage-2: "LAYERING"**

32. Layering is the second stage of money-laundering. At this stage, money is split, withdrawn, redeposited and merged back in the financial system. The criminal intent behind this exercise is to shuffle the money along with ostensibly genuine business transactions and try to blend them into one.

33. The scrutiny of 13809 transactions through these 'Fake Accounts' identified Rs 14.92 Billion which kept circulating through 1245 transactions within the complex web of 'Fake Accounts' in various branches of Five (05) different banks already mentioned. This is layering – an attempt to blend the crime proceeds with bank loans and various subsidies / ostensibly genuine business transactions. For example, a soft financing of Rs 3.72 Billion was disbursed to Omni Group for revival of M/s Larr, M/s Chamber and M/s New Thatta Sugar Mills (Revival of Sick Industrial Units policy of Government of Sindh). However, Rs 1 Billion of this special finance facility was diverted into Fake Accounts by M/s Larr (Rs 400 Million), M/s Chamber (Rs 400 Million) and M/s New Thatta (Rs 242 Million) and after layerings, it was channelized (laundered) through the account of a UAE national Nasser Abdullah Lootah (accused in FIR No. 4/2018, FIA SBC Karachi) and ultimately 'integrated' (injected) as (laundered) equity into Summit Bank.

34. In another instance, a transaction has been identified which has been layered (moved within the Fake Accounts) twenty-seven (27) times (Ref. ANNEX-6 for diagram showing 27 layerings of a single transaction). This shows that it was done in a well-thought-out manner and by a very well organised racket of money-launderers. The following distinct techniques of 'layering' were clearly identified by the JIT: -

- Excessive use of cash deposits and withdrawals without CNIC of depositor / withdrawer or using fake CNICs (masking the source and beneficiary)

- Multiple issuance and subsequent cancellations without any actual payments using financial instruments (Demand Drafts, Pay-orders and Cash Deposit Receipts) – (Blending)
- Splitting the deposits into multiple amounts and crediting them into various other Fake / associated business Accounts of Omni Group (Smurfing)
- Re-routing deposits in 'Fake Accounts' through accounts of Agricultural Farms, Sugar Mills and crediting them back into 'Fake Accounts' (disrupting the trail)

iii. Stage-3: "INTEGRATION"

35. Integration is the final stage in money-laundering. At this stage laundered money is shown to be coming out as a result of ostensibly legitimate (but fake) real estate gains and (fake) profits from (artificial) ventures. For 'integration' books and accounts are cooked up to show fake gains from improvised sale deeds, joint venture agreements and (non-bonafide) third party payments. For this stage, it is necessary that a very trustworthy colluder be selected who can transfer such huge gains or at times when such colluder is not used, a non-genuine third party ('Fake Entity') is set up to pay the dividends.

36. The following section No.2 identifies the 'placement' of crime proceeds into and closely linked with the 'Fake Accounts'. The subsequent sections will clearly establish how this money, after having been laundered, was integrated and shown (fraudulently) as coming out mega real estate projects of Karachi.

[The complete details and evidence pertaining to this section are contained in the report 'FINAL INVESTIGATION REPORT NO. 2' titled "Creation, operation and analysis of Fake Accounts and Fake Entities by Omni Group".]

COGNIZANCE BY NAB: Creation and Operation of 'Fake Accounts and Entities'

37. The above investigation has revealed laundering of Rs 27.45 Billion through thirty-two (32) 'Fake Accounts' operated by Eleven (11) 'Fake Entities'. It is the largest and most organized money laundering activity detected in the history of FIA. It is submitted that the matter may be referred by DG FIA to Chairman NAB for taking further cognizance under the relevant provisions of NAO 1999 and inquiry No.

3 and case FIR No. 4 / 2018 of SBC FIA Karachi, if approved by the august Supreme Court of Pakistan.

2. PROCEEDS OF CRIME, KICKBACKS, LAND GRABBING, MISAPPROPRIATIONS ETC 'PLACED' INTO 'FAKE ACCOUNTS'

38. The analysis of payments into Fake Accounts and investigation related to these transactions revealed the following types of proceeds of crime transacted through and linked to Fake Accounts: -

- Kickbacks against grabbing of State land i.e. Bahria Town Karachi land, Bagh Ibn-e-Qasim land for Bahria ICON twin towers project, Pakistan Steel Mills land
- Bribes by Land Mafia and Proceeds against Grabbing of Private Land i.e. private land adjoining the State land illegally allotted to Bahria Town Karachi, Al-Ain holdings land near airport, various prime urban plots and Pink Residency land
- Kickbacks from Government Contractors
- Proceeds of Corruption from private builders
- Diverted and Misappropriated Loans
- Misappropriated subsidies i.e. subsidies for cane growers, subsidies for tractors schemes, subsidies for captive power plants and subsidies in the name of revival of sick industrial units
- Unexplained huge cash deposits (masking the source of money)
- Unexplained deposits with missing (misappropriated) vouchers (obliteration of evidence)

a) LAND GRABBING – PRIME URBAN STATELAND (BAHRIA AND STEEL MILL) AND PRIVATE LANDS – KICKBACKS AND PROCEEDS

39. The JIT has discovered that kickbacks against State land and bribe / proceeds from forcible / low cost acquisitions of private lands has been placed, layered and ultimately laundered using 'Fake Accounts'.

i. Kickbacks against Grabbing of State Land by Bahria Town

40. Examination of the 'Fake Accounts' revealed a huge deposit of **Rs 10.02 Billion** directly into the 'Fake Accounts'. This huge payment is discussed at length subsequently, in this report.

41. Bahria Town has emerged as a huge beneficiary by grabbing thousands of acres of prime urban State as well as private lands for its projects in Karachi against which it paid huge kickbacks. Each of Bahria's projects in Karachi merit a deep probing which has been done in the subsequent sections in this report. Only a synopsis of kickbacks paid by Bahria Town are mentioned below: -

S	Original Ownership of Land	Total illegally allotted / grabbed Land	Name of Project	Facilitators	Kickbacks
1	State Land – Express highway	11297 acres	Bahria Town Karachi	Government of Sindh (BOR, MDA)	Rs 10.02 Billion remitted directly into 'Fake Accounts'
2	Private Lands adjacent to Bahria Town Karachi	Undetermined (estimated more than 25000 acres)	Bahria Town Karachi	Government of Sindh (MDA, Local Administration and Police)	
3	State Land of Bagh Ibn-e-Qasim Clifton Karachi	7900 Square yards	Bahria ICON Twin Towers	Government of Sindh (BOR, KDA, KMC), M/s Galaxy Construction Pvt Ltd. (Dr Dinshaw Hoshang Ankleseria - Frontman)	50 % share in Bahria ICON Project Rs 1.22 Billion through JV Opal 225 scheme

ii. Pakistan Steel Mill – Misappropriation and Grabbing through Revenue Authorities, DG SBCA and Private Builders Land Mafia

42. During scrutiny of one of the Fake Accounts (M/s Umair Associates), Rs 31.95 Million were found deposited on 17-07-2014 and 01-09-2014 through forty (40) bearer cheques issued by one Amanullah Memon. On this the issue was probed and it was found out that 562 acres State Land including 362 acres of Pakistan Steel Mill Land was illegally allotted to private builders causing a loss of Rs 4.14 Billion to the national exchequer. This misappropriation of state land has been dealt in detail in this report.

iii. Misappropriation of Seven (07) Acres Prime Urban State Land in Gulistan-e-Jauhar – Role of M/s Pink Residency (A Front Company of Mr. Asif Ali Zardari)

43. The investigation found out cheques amounting to Rs 46.4 Million were issued from the Fake Accounts (A-One International, Ibrahim Linkers and Umair Associates) for a regularization fee for (illegal) allotment of State land to M/s Pink Residency. The illegal award has been dealt in detail later in this report.

b) Kickbacks by Government Contractors paid into 'Fake Accounts'

44. TheJIT during investigations have established that nineteen (19) Government Contractors deposited **Rs 1.32 Billion** through 323 transactions into the Fake Accounts, as mentioned below: -

S	Government Contractors	Total Amount Deposited (Rs Million)	Total Transactions
1	Sardar Ashraf D Baloch – Run by Shehzad Jatoi CEO.	219	10
2	Madni Engineering – CEO Mansoor Iqbal won 38 contracts amounting to Rs 1500 M during 2013/14 only. He has tried to create a justification that payment into Fake Accounts was for purchase of 3 floors of Al-Mashriq Heights (project of Rubicon Builders). The <i>plain paper unregistered sale-note</i> (Ref. <u>ANNEX-7</u> for copy of sale note) dated 1-3-2014 signed with Aslam Masood, CFO (absconder) presented by him betrays the after-thought fabrication. Intriguingly identical stories with similar sale-notes prepared on the same date have been cooked up by contractor at S. No.7below (Ref. <u>ANNEX-10</u> for copy of his sale note) which not only fail to justify their payments into Fake Accounts but also reveal the mutual nexus between various contractors.	167.5	67

3	<p>Sher Muhammad Mugheri – Irrigation contractor won 36 contracts of desilting stone-pitching etc. amounting to Rs 4.82 Billion during 2013 / 14 only. He took plea that this payment (2014) was made to one Adnan Butt (murdered 2017) of Tycoon Real Estate for purchase of files of Bahria but might have landed into Fake Accounts through said Adnan Butt. This story was contradicted and exposed by Chaudary Qaisar of Tycoon Real Estate, in that; such investment transactions never took place (Ref. <u>ANNEX-8</u> for copy of statement of Chaudary Qaisar). This plea is hence a deliberate attempt to shift the burden on a deceased person.</p>	145	53
4	<p>Thadani Enterprises – Ratna Gul Thadani, CEO (non-cooperative) won 11 contracts worth Rs 406.9 M during 2014 only.</p>	110	20
5	<p>Oasis Drilling Corporation is a front company of Pak Oasis Pvt. Ltd. (largest RO water filtration plants installer in Sindh owned by Umar Abbas Jilani), run by manager finance Yousaf Ismail of Oasis. He took the plea that they purchased hardware equipment from A-One International (Ref. <u>ANNEX-9</u> for copy of statement of Yousaf Ismail). However, it is noteworthy that A-One International has been established to be a fake business entity for money-laundering which was merely a paper company and was doing no business of its own.</p>	98.326	2
6	<p>Ibrahim Khan & Ismail Khan – M. Ishaq, CEO died in 2017. The company account from which the payment landed into Fake</p>	85	8

	Accounts was operated by one Imtiaz Javed who is an employee of Ashraf D Baloch at S. No. 1 above. Other evidence attests that it is a front company of Ashraf D Baloch (Shehzad Jatoi) which is a favorite contractor of Government of Sindh and has paid highest amount (Rs 219 Million) into these Fake Accounts.		
7	MBC & Sons Builders–Tariq Aziz Channa, CEO (brother of contractor at S. No. 16 below) won 42 contracts worth Rs 3.12 Billion in 2014 only. He also tried to create a justification that payment into Fake Accounts was for purchase of 4 floors of Al-Mashriq Heights (project of Rubicon Builders). The photocopy of plain paper unregistered sale-note(Ref. <u>ANNEX-10</u> for copy of this sale note)dated 1-3-2014 signed with Aslam Masood, CFO (absconder) presented by him appears to be after-thought fabrication prepared in collusion with contractors at S. No. 2 & 16.	70	7
8	Niaz Muhammad Khan and Bros – Jahanzeb Khan, CEO road contractors of interior Sindh won 27 contracts worth Rs 4.54 Billion in 2013/14 only. His plea that the payment of Rs 62.5 Million that landed into Fake Accounts was a loan repayment to one Haji Abdul Wadood (late) is a concoction to shift the burden on a deceased person manifest from the flaws identified in statements of relevant witnesses.	62.5	28
9	Haji Siraj Ud Din Soomro was highly non cooperative and cited total ignorance and amnesia pertaining to these transactions. However, amnesia did not	56	15

	correspond with his physical health and the volume of business he is currently handling.		
10	Shahrukh Engineering - Shehzad Jatoi CEO, runs this sister company of Ashraf D Baloch at S. No. 1 above.	50	5
11	Wadood Engineering – Uzair Tehseen, CEO won three contracts of Rs 2.2Billion during 2015 for installation of Solar street lights in interior Sindh which are presently under inquiry with NAB.	50	55
12	Hafiz Rab Nawaz & Co – Irrigation contractor won 17 contracts for desilting stone-pitching etc amounting to Rs 1.6 Billion during 2014 only. He also took plea of ignorance and amnesia for the payments made into Fake Accounts.	40	5
13	Harish & Co – Harish S/O Kalumal, CEO admitted that he won contract worth Rs 164 Million for Rehabilitation of Urban Water Supply, Thatta and admitted having paid Rs 39.25 Million(24 %) as bribe for his contracts (Ref. <u>ANNEX-11</u> for copy of statement of Harish made before the JIT)	39.25	9
14	Mac Engineering – Muhammad Ali Channa, CEO took the plea that he does not know about the payments that landed from his account into Fake Accounts.	20	8
15	Abdul Hakim Chachar & Sons	10	2
16	Khalid Masood Channa – He also tried to create a justification like his brother at S. No. 7 above, that payment into Fake Accounts was for purchase of 4 floors of	7.5	3

	Al-Mashriq Heights (project of Rubicon Builders). The photocopy of plain paper unregistered sale-note dated 1-3-2014 signed with Aslam Masood, CFO (absconder) presented by him appears to be after-thought fabrication prepared in collusion with contractors at S. No. 2 & 7.		
17	Haji Muhkam Ud Din Solangi – His son took the plea that he is neither aware nor answerable for any payments made by his late father.	85	17
18	Manjhi Construction Company	3.6	4
19	Waseem Builders	3.2	4
TOTAL		1.32 Billion	323

Water Transmission to Thar Coal Power Project – a manifestation of the Grouping of Favorite Contractors of Government of Sindh

45. The project for construction of water transmission channels from Left Bank Outfall Drainage (LBOD) to Thar Coal Power Project commenced with initial estimated cost of Rs 9.07 Billion during 2012/13. The project, which was initiated without any prior feasibility studies (mandated for projects over Rs 300 Million by P & D Division), has escalated in three (03) years presently to Rs 40 Billion, 441 %, (Ref. ANNEX-12 for revised Administrative Approvals by Secretary Irrigation). The contracts awarded by Sindh Government for CC lining, reservoir and pumping stations etc. were awarded in haste and complete violation of S-PPRA rules. Out of the twenty-three (23) packaged contracts, twelve (12) were awarded to eight (08) blue eyed contractors who had paid Rs 547 Million into Fake Accounts. Violation of S-PPRA rules 12, 15-2-a-(ii & iii) and 67 were observed with respect to qualification of bidders and in the procurement of consultancy services. As a consequence, of these shady deals, contractors mentioned at S. No. 2, 3, 4,5,8,12,15 and 17 (above table) had been the beneficiaries of awards and escalations in project cost. This water transmission project is a classical manifestation of corrupt practices, embezzlement, abuse of authority and collusion between the above group of Contractors, Omni Group and the Sindh Government.

46. The information available with the JIT suggests that the deposits made into Fake Accounts by Government Contractors (Rs. 1.32 Billion) as mentioned above, are not the only kickbacks received by the ultimate beneficiary. The total volume of kickbacks from Government Contractors may not be ascertainable at this stage, unless one is aware of the “Zardari System”, which is a common local knowledge in the administrative and contractor circles.

[The complete details and evidence pertaining to this section are contained in the report ‘FINAL INVESTIGATION REPORT NO. 19’ titled “Kickbacks by Government Contractors into Fake Accounts”.]

c) Bribes by Private Builders paid into ‘Fake Accounts’

47. **Rs 223 Million** which landed into ‘Fake Accounts’ (M/s Logistic Trading and M/s Royal International) on behalf of Pvt Builder Mohsin Sheikhani, ex-Chairman Association of Builders & Developers (ABAD) was in-fact his payment made to Manzoor Qadir Kaka, ex-DG Sindh Building Control Authority – SBCA - (absconder at Canada since 2015). No plausible documentation justifying this payment was available with Mohsin Sheikhani. However, another Pvt Builder Muhammad Hanif admitted before JIT(Ref. ANNEX-13 for copy of his statement) that his payment of Rs 4 Million which landed into ‘Fake Accounts’ was in fact a bribe paid to the above mentioned Manzoor Qadir Kaka.

The information available with the JIT reveals that the Karachi and Government of Sindh is hostage to a notorious institutionalized system for collection of bribes, kickbacks and proceeds of land grabbing and their onward remittance abroad through multiple channels of Hawala. This system is well known locally as “Zardari System”. [The complete details and evidence pertaining to Zardari System are contained in the report ‘JIT INVESTIGATION REPORT NO. 25 MARKED AS “CONFIDENTIAL”.]

d) Tailored Loans and Subsidies by the Government of Sindh (Sindh Bank) – Misappropriated

48. The investigations found out that in certain instances, a certain amount of loans (**Rs 497 Million**) tailored for Omni Group was placed into the ‘Fake Accounts’ (Iqbal Metals, Dream Trading, Gateway Iron Steel, Tariq Associates and Lucky International) which was ultimately embezzled and laundered. On this, the JIT

investigated the loans and subsidies dished out to a specific group and found evidence that these loans and subsidies were misappropriated. This has been discoursed at length later in this report.

e) Cash Deposits (Rs 2.6 Billion) into 'Fake Accounts' – Masking the Proceeds of Corruption

49. Analysis of the Fake Accounts shows a cash deposit of **Rs 2.6 Billion** and cash withdrawal amounting to Rs **7.17 Billion**. It is noteworthy to mention here that against deposits of Rs 1.58 Billion and withdrawals amounting to Rs 2.81 Billion, no CNIC or copy of the depositor or withdrawer has been retained by the bank and the identity has been masked totally. In other instances, random CNIC copies of ordinary citizens have been misused just like in account opening forms of eleven (11) 'Fake Entities'. This bears testimony to the collusion of concerned bank officials in facilitation.

50. The investigations have identified following persons linked with cash transactions with Fake Accounts: -

S	Name of Person	Cash Deposits (Rs Million)	Cash Withdrawals (Rs Million)
1	UNKNOWN (Name & CNIC not taken by bank officials)	1580	2810
2	M. Umair, absconder presently in KAM Crown LLC UAE(4210152502401)	361	669
3	Jagdesb (4210186080605)	-	326
4	Tariq Sultan (4230157174757)	30	288
5	Sajid Hussain (4250158900699)	-	242
6	M. Mushtaq (4220108521479)	-	240
7	M. Asad Ali (3320254726147)	-	216
8	Syed Irfan Rizvi (4210116253503)	5	168
9	Adnan Javed (4210154517833)	-	166
10	M. Naeem (4220145447597)	-	133
11	M. Hasan Brohi (4230110632599)	-	96
12	Shabbir Wazeer (4230161043031)	-	83
13	M. Iqbal Arain (4210196118827)	38	75
14	M. Arif Khan (4210189848915)	50	66

15	Qasim Ali (4230129793159)	20	08
16	M. Umar Hayat (4220102765797)	-	50
17	M. Ashraf (4210177884925)	420	43
18	M. Farhan (4210169249745)	-	40
19	Gulzar Ahmed (42307600435-3)	-	40
20	M. Irfan	5	-

51. Investigations further revealed that some of these 'cash-boys' were employed by Younas Kudwai and had a close nexus with the "Zardari System"[The complete details and evidence pertaining to *Zardari System*, are contained in the report 'JIT INVESTIGATION REPORT NO. 25 MARKED AS "CONFIDENTIAL".]

52. It transpired further that most of the cash was given to H & H Exchange Co. Ltd., Reems Exchange Co. Ltd. and other currency exchange dealers for purchase of foreign currency. Moreover, a few other "cash-boys" have been identified who deposited cash amounting to **Rs 438.28 Million** against the payments of interests of various front companies. Hence, a percentage of the proceeds of crime (cash) was mixed into legitimate business obligations like interests' payments: -

S	Front Company	A/C No.	Cash Deposit
1	Seracom Stocks Pvt Ltd.	03023852111000	168
2	Rubicon Builder Pvt Ltd.	03011598311000	104
3	Royale Enterprise	03543855071001	89.99
4	Paramount Builders Pvt Ltd.	06034040881000	53.09
5	Parkview Stocks Pvt Ltd.	03023893361000	22.80
6	Rising Star Holding Pvt Ltd.	03020978841000	0.2
7	Sky Pak Holdings Pvt Ltd.	03020965501000	0.2
TOTAL			438.28

f) Deposits with missing vouchers (Rs 1.86 Billion) into 'Fake Accounts' – Masking the Proceeds of corruption / crime and obliterating the evidence

53. Out of total 13809 transactions into thirty-two (32) Fake Accounts, counter parties of **1533** transactions amounting to **Rs 1.86 Billion** could not be conclusively established as the corresponding bank vouchers could not be provided by the concerned bank officials. The details of missing vouchers are as under: -

S	Bank	Transactions	Amount (RS M)
1	UBL	88	700
2	Summit Bank	156	543
3	Faysal Bank	1179	437

4	MCB Ltd.	77	183
5	Sindh Bank	16	26
TOTAL		1516	1889

54. The relevant bank officers need to be thoroughly investigated to recover these misplaced bank vouchers and connect the proceeds of laundering to ultimate beneficiaries vis-à-vis these transactions amounting to Rs 1.88 Billion. This bears testimony to the collusion of concerned bank officials in facilitating the operation of 'Fake Accounts'. This tendency of obliterating the evidence has been discovered in other related instances as well. As has been mentioned above Khoski Sugar mill incinerated its record before inspection team of JIT could reach it.

g) Omni Group Companies and its Front Entities –adjunct 'Laundering Vehicles 'for proceeds of unexplained cash deposits / wealth, in addition to the laundering through 'Fake Accounts'

55. During the course of investigation, Omni Group subsidiary companies and front entities were found to be interacting prolifically with the 'Fake Accounts and Entities'. Hence, tax record of big depositors and creditors of Omni entities were examined to identify the amount of unexplained income / receipts. Twenty-two (22) Cases were shortlisted by FBR after the examination of Tax returns and Final Accounts of over 50 entities. It was revealed during the investigation that in most of the cases, transactions with the fake accounts were neither reflected in the sales tax returns nor had any relevance with the status and business of the tax payer. On the basis of this criteria, FBR computed tax evasion as under: -

- Rs. 6.42 Billion which includes Income Tax evasion of Rs. 4.34 Billion and Sales Tax evasion amounting to Rs.2.0 Billion
- Sales Tax evasion includes Rs. 2 Billion being sales tax evaded on sale of sugar pledged with the bank out of books and Rs. 75.02 Million being sales tax default on account of non-deduction of sales tax as withholding agent and claim of inadmissible input tax

56. On the basis of above cross-sectional examination, it was found that **Rs 22.72 Billion** from 'Fake Accounts' was subsequently layered through Omni Group companies. The cases scrutinized are tabulated below;

S	Name of cases	Income Tax evasion (Rs M)	Sales Tax Evasion on account of (Rs)		Total (Mn Rs)	Unexplained Income / Non-Bonafide Receipts Reflecting Money-Laundering (Rs).
			Missing stock of sugar	In admissible input/withholding tax default		
1	Agro Development Farms Thatta	291	0	0	291	3,281,678,353
2	Ansari Sugar Mills Ltd.	297	306	4	607	1,072,555,970
3	Bandhi Sugar Mills Ltd	0	155	14	169	0
4	Bawani Sugar Mills Pvt. Ltd.	203	137	0.8	341	769,683,067
5	Chamber Sugar Mills (Pvt.) Ltd	72	221	24	317	779,000,000
6	Khoski Sugar Mills Pvt. Ltd	143	221	2	366	539,510,000
7	Larr Sugar Mills Ltd.	0	121	0	121	0
8	Naudero Sugar Mills Pvt. Ltd.	74	254	10	338	536,532,070
9	New Dadu Sugar Mills Pvt. Ltd	62	264	10	336	759,660,588
10	Tando Allah Yar Sugar Mills Pvt. Ltd.	128	326	9	464	1,103,525,422
11	Khawaja Abdul Ghani Majid	295	0	0	295	840,764,784
12	Khawaja Mustafa Zulqarnain Majid	144	0	0	144	415,791,250
13	Khawaja Nimr Majid	57	0	0	57	167,286,127
14	Omni Aviation Pvt. Ltd.	64	0	0	64	264,589,777
15	Omni Pvt. Ltd.	39	0	0	39	298,500,000
16	Omni Polymer Packages Pvt. Ltd.	94	0	0	94	325,381,782
17	Parthenon Pvt. Ltd.	66	0	0	64	615,716,144
18	Syed Arif Ali, Director, Technomen Kinetics Pvt. Ltd.	43	0	0	43	110,770,132
19	Syed Asif Mahmood, Director, Technomen Kinetics Pvt. Ltd.	37	0	0	37	105,656,141
20	Pak Ethanol Pvt. Ltd.	421	0	0	421	1,297,022,092
21	Rubicon Builders & developers Pvt. Ltd.	369	0	0	369	1,144,151,892

22	Zain Malik	1200	0	0	1200	8,300,000,000
TOTAL		4101	2006	73.8	6183	22,727,776,221

57. The above findings backed by relevant evidence clearly show that kickbacks from Bahria Town (Rs 10.02 Billion), Government Contractors (Rs 1.32 Billion), tarnished huge cash deposits (Rs 2.6 Billion), deposits with missing vouchers (Rs 1.86 Billion) and unexplained (laundered) receipts (Rs 7.1 Billion) from Omni Group have all contributed to the proceeds of crime landing into the 'Fake Accounts'. A total of Rs 27.45 Billion, after having been laundered through the 'Fake Accounts' was utilized by the ultimate hidden beneficiaries and the same will unfold, along with relevant evidence in the subsequent sections of this report.

[The complete details and evidence pertaining to this section are contained in the report 'FINAL INVESTIGATION REPORT NO. 2 titled "Creation, operation and analysis of Fake Accounts and Fake Entities by Omni Group".]

Rs 27.45 Billion laundering through 'Fake Accounts'

58. It is appropriate to clarify here that the current investigation by the JIT was limited both in scope and time. It was limited to the '32 Fake Accounts' and transactions / dealings closely associated with the 'Fake Accounts or Fake Entities' which have been unfolded along with relevant evidence in this report.

3. BANK CAPTURE – ILLEGAL CREATION AND USE OF SUMMIT BANK FOR MONEY-LAUNDERING

59. One of the internationally well-known and most orchestrated techniques employed for money laundering is that launderers organise and buy controlling interests in a bank and then move money through that bank circumventing all prudential regulations of banking without the risk of any scrutiny or raising alarms. The evidence in this section shows that the present money-laundering cartel was not unaware of this notorious technique known as "Bank Capture".

60. In October 2007, Arif Habib securities Ltd. acquired the Pakistan operations of Rupali Bank Ltd., rebranding it Arif Habib Bank. On 31-03-2010, Suroor Investments, Ltd. Mauritius based investment firm, acquired 59 % stake of Arif Habib Bank and rebranded it as Summit Bank on 18-08-2010.

61. The analysis of the Fake Accounts (M/s A-One International, M/s Iqbal Metals and M/s Umair Associates) revealed that funds amounting to **Rs 6.01 Billion**, after multiple layering, were channelized (laundered) through a UAE national Nasser Abdullah Lootah and invested back as (laundered) equity for injection into Summit Bank. These funds, channelized through 'Fake Accounts', originated from Bahria Town (Rs 3 Billion) and included contribution from amounts given to Omni Group for revival of sick industrial units, loans given to Rubicon Developers (front company of Younas Kudwai) and kickbacks received in Fake Accounts from various Government contractors.

62. The creation of Summit Bank, and appointment of Hussain Lowai as President of Summit Bank was undertaken to facilitate this cartel. In two (02) account opening forms (Ref. ANNEX-14 and ANNEX-15 for copy of forms), it was specifically mentioned on the reverse sides of forms, "*referred by Hussain Lowai*". As per statement of concerned bank officials, they were under pressure from the top to open and operate these accounts. It has revealed further that the system was generating STRs but they were suppressed under the instructions of President Hussain Lowai (Ref. ANNEX-16 for statement of Muhammad Atif, SVP Compliance Department Summit Bank).

a) Illegal Equity Injection into Summit Bank from Fake Accounts – Role of Suroor Investment

63. M/s Suroor Investments Ltd., a private Ltd. company incorporated in Republic of Mauritius and owned by Mr. Nasser Abdullah Lootah, presently holds 1.7 Billion shares (67 %) worth Rs 14.6 Billion in Summit Bank Ltd. Hussain Lowai, CEO Summit Bank, was the representative of Suroor Investment in Pakistan. The JIT discovered that Rs 9.5 Billion were raised and injected as Summit Bank equity domestically out of which Rs 5.9 Billion were paid through three (03) Fake Accounts during 2014/15. When Summit Bank was significantly short of SBP's minimum capital requirements (Rs 10 Billion threshold). These Rs 5.9 Billion were initially transferred to the account of Nasser Abdullah Lootah (Chairman Summit Bank) from Fake Accounts which was subsequently injected into Summit Bank as (laundered) equity. Hence, proceeds of kickbacks and other financial crimes were used to raise the equity of Summit Bank to fulfill SBP's requirements. Financial services Commission Mauritius in response to an MLA sent by the JIT has responded on 19-11-2018 (received on 12-12-2018) that they will investigate the matter and share their findings with SECP under the International

Organization of Securities Commission (IOSCO) Multilateral Memorandum of Understanding (MMoU).

64. When confronted Mr. Nasser Abdullah Lootah admitted that, in fact, all funds (**Rs 14.6 Billion**) were arranged by Abdul Ghani Majid and he is merely a nominee of the Abdul Ghani Majid. As per regulations 13 (1) of Foreign Exchange Regulation Act 1947 read with regulation 6 Chapter XX Foreign Exchange Manual, Summit Bank equity injection by M/s Suroor Investments (a non-resident company) must have been paid in foreign currency via international remittance or a foreign currency account maintained domestically and *no domestic equity arrangement was permissible*. Hence the law was disregarded for this special arrangement in favour of the beneficiary i.e. Abdul Ghani Majid. In a nutshell Summit Bank may be termed as a “*Front Bank*”, also known in local banking circles as “PROJECT WHITE”, raised to serve as money-laundering vehicle.

[The complete details and evidence pertaining to ‘Project White’ are contained in the report ‘JIT INVESTIGATION REPORT NO. 25 MARKED AS “CONFIDENTIAL”.]

b) Illegal Equity Injection into Summit Bank – Role of Abdul Ghani Ansari through Suroor Investment

65. Mr. Abdul Ghani Ansari has been well known locally to be a front man of Mr. Asif Ali Zardari (Ehtisab Commission Report in Ehtisab Reference 26/1998). He remitted an amount of Rs. 600 Million into M/s Parthenon Pvt. Ltd account (as equity) a front company setup to obtain and fraudulently misappropriate a loan amounting to Rs. 1.5 Billion, as has been discussed at length, later in this report. However, Mr. Asif Ali Zardari in his written response took the plea that he just knows him but has no business acquaintance with him.

66. During investigation the JIT identified international transactions by Abdul Ghani Ansari which show his nexus with the shady Suroor Investments and Majid Family: -

S	Swift Ref No and Date	Amount (Million)	Beneficiary
1	2009062900081796 (29-06-2009)	3.4 USD	Nasser Abdullah Lootah (For Suroor Investment)
2	TTF2010000030 (11-02-2010)	0.48 AED	Abdul Ghani Majid (For shares)
3	TTF2010000032	0.48 AED	Khawaja Anver Majid

	(16-02-2010)		(For shares)
4	N/A (23-02-2010)	0.67 AED	Khawaja Anver Majid (For shares)
5	IT07091002110139 (28-02-2010)	10.92 PKR (Equivalent)	Mustafa Z. Majid (For shares)
6	TTF2010000054 (15-03-2010)	0.72 AED	Mustafa Z. Majid (For shares)
7	TTF2010000055 (15-03-2010)	0.67 AED	Khawaja Anver Majid (For shares)
8	TTF2010000056 (16-03-2010)	0.67 AED	Abdul Ghani Majid (For shares)
9	TTF2010000077 (07-04-2010)	0.76 AED	K. Hussain (Loan repayment to UK)

67. The payments remitted to Anver Majid family were received in their Habib Metropolitan Bank accounts. However, the payments were routed through Bank Al Falah in an attempt to conceal the origin of funds.

c) Illegal Equity Injection of Summit Bank from Sindh Bank Loan – Role of Rubicon Developers

68. A project loan of Rs 1 Billion was disbursed to M/s Rubicon Builders (Pvt) Ltd. on 1-12-2014 by Sindh Bank. However, these funds were diverted from the stated purpose and routed through various Fake Accounts through multiple split transactions (Smurfing technique of layering / money-laundering) on the same date, and transferred to the account of Nasser Abdullah Lootah. It was then injected into Summit Bank as equity. It is noteworthy that M/s Rubicon is owned by Younas Kudwai (a trusted frontman of Mr Asif Ali Zardari) and Aslam Masood (CFO, Omni Group). Evidence pertaining to close nexus between Younas Kudwai and Mr. Asif Ali Zardari has been dealt in detail later in this report in various sections. Hence, M/s Rubicon is a shady company controlled by Mr Asif Ali Zardari was directly involved in misappropriation and diverting loans into Summit Bank as (laundered) equity.

d) Expansion of Summit Bank – Illegal Acquisition of Mybank – Role of SBP

69. Further, Summit Bank acquired Mybank shares (Rs. 2.16 Billion) at Rs 8 per share in 2011 as per the obligation of a 2009 Suroor-Mybank agreement, for which it was not liable, instead of the then evaluated market price of Rs 3.03 per share (keeping in view the swap ratio between Summit and Mybank) without notifying the minority shareholders. This novation of agreement from Suroor Investment (a Front of Omni Group) to Summit Bank absolved Suroor Investment of the loss (Rs. 1.34 Billion)

and in fact by taking over, passed on at least 40 % of the loss to private shareholders of the Summit Bank. Hence in the acquisition / merger of Mybank with Summit Bank an ill-conceived novation agreement (Ref. ANNEX-17 for copy of novation agreement) was executed between Summit Bank and Suroor Investment ("non-arm's length transactions") so that the financial loss could be transferred to minority shareholders of Summit Bank. A "non-arm's length transactions" is a transaction conducted with one's own self (like one pocket to another), a frontman / front company or a very close relative / associate and is usually a non-bonafide transaction depending upon the purpose for which it is used. This is in contrast to the bonafide "arm's length transactions" which is conducted with a bonafide third party having an independent business, decision making and distinct entity.

The SBP neither questioned the novation agreement nor the acquisition of shares by Summit Bank under that agreement; rather issued an NOC (Ref. ANNEX-18 for NOC dated 31-03-2011 by SBP). SBP's role in guarding against non-prudential acquisitions has been found to be maliciously tilted in favour of Summit Bank. The deposit of Rs. 1 Billion misappropriated loan by M/s Rubicon (front company with no legitimate business controlled by frontman of Mr. Asif Ali Zardari) into equity of Summit Bank has been discussed above. The proprietary control over the SBP by the then President seems to be the only reason for this deliberate regulatory failure amounting to criminal conduct in favour of Omni Group.

e) Expansion of Summit Bank – Illegal Acquisition / Amalgamation of Various Banks (Rupali, Atlas and Arif Habib Banks) into Summit Bank – Role of SECP

70. M/s Suroor Investments Ltd. acquired **59 % shares** each from majority shareholders of Atlas Bank (Atlas Group) and Arif Habib Bank Ltd. (Arif Habib Group), renamed it as Summit Bank, and subsequently Summit bank purchased **59 % shares** of Mybank (under novation agreement discussed above) during 2009/10. After the acquisition of majority shares, these banks were merged into Summit Bank. SECP, instead of taking cognizance and protecting the rights of minority shareholders, interpreted these acquisitions as mergers falling under exemption clause (3g) of Listed Companies (Substantial Acquisition of Voting Shares and Take - overs) Ordinance, 2002. Consequently, it absolved the acquirer (Summit and Suroor) from purchasing minority shares at least at the same price as majority shares. These shady acquisitions and subsequent mergers caused a loss of at least Rs 830 Million to

the general public (minority shareholders). The officer (Mr. Tahir Mehmood, then Executive Director Enforcement; presently acting Chairman SECP) who misinterpreted and misapplied the relevant law and committed an act of deliberate omission by failing to take cognizance (misuse of authority under NAB Ordinance-1999) was internally elevated to the position of commissioner first time in the history of SECP. This substantiates the inference that the failure of regulator was not inadvertent rather directions were coming from the top (Presidency) in favour of Summit Bank.

f) Money-Laundering through Opening and Operation of Fake Accounts

71. As has already been discussed, out of thirty-two (32) Fake Accounts, fifteen (15) accounts were opened in three (03) branches of Summit Bank Karachi and **Rs 26 Billion**(62%) were credited into these accounts.

- I.I. Chundrigar Road Branch
- Khayaban-e-Tanzeem Branch
- Gulshan-e-Iqbal Branch

72. Mr Hussain Lowai, (President Summit Bank) and Mr Taha Raza (Head of Corporate Banking) facilitated opening and operation of these accounts and STRs generated by the banks AML system regarding these Fake Accounts were deliberately ignored. The way the operation of these Fake Accounts was facilitated through instructions coming directly from President Hussain Lowai has already been discussed.

g) Money-Laundering through Misuse of Sundry Accounts of Summit Bank

73. The JIT examined the information system of Summit Bank and discovered that cash deposits (Rs 110 Million) were received and concealed into bank's own General Ledger (GL) account, rather than depositor's account, and against them Call Deposit Receipts (CDRs) were issued in the name of Fake Business entities of Omni Group (Ref. ANNEX-19for CDRs issued in the name of 'Fake Entities'). Hence, the black money (cash deposits) was laundered through issuance of CDRs in favour of Fake Business Entities for channelizing elsewhere, using bank's own GL accounts. The prudential regulations of SBP were hushed-up and no STRs were raised until detected by the JIT. Similarly, another cash deposit of Rs 35 M received from Wackenhut Pakistan Pvt.Ltd. and CDR was issued in name of bank's President

Hussain Lawai. This confirms the collaboration of 'Fake Entities' and Summit Bank in laundering of ill-gotten proceeds and its personal patronage by the President of the bank being a beneficiary.

h) Purchase of shares of Summit Bank worth Rs. 300 Million by Mr Hussain Lawai through Fake Accounts

It was found out that Mr. Hussain Lawai purchased shares of Summit Bank worth Rs. 300 Million, in his name through a company M/s Pearl Securities Ltd. This amount was transferred from fake accounts in two transactions worth Rs. 150 Million each. Subsequently, these shares were transferred to M/s Seracom – a front/ *benami* of Omni Group

[The complete details and evidence pertaining to this section are contained in the report 'FINAL INVESTIGATION REPORT NO. 3 titled "Bank Capture / illegal creation of Summit Bank"' and REPORT No. 3(a) titled M/s Pearl Securities Ltd.]

NAB CASE No.1: 'Summit Bank'

74. The above evidence clearly shows that Summit Bank equity (Rs 14 Billion) was raised through proceeds of crime and subsequently Summit Bank illegally and fraudulently acquired and amalgamated other banks illegally in violations of the SBP and SECP regulations through the proprietary influence of the then President Mr. Asif Ali Zardari.

RECOMENDATION

- i. The matter may be referred to NAB, for a thorough inquiry / investigation and filing a reference in the Accountability Court for prosecuting those who were involved and recovery of proceeds of crime.***
- ii. Since savings of the minority shareholders / depositors (public) are at stake, the august Supreme Court of Pakistan may pass directions to SBP to take over Summit Bank (through merger with NBP or any other bank) u/s 47 of the Banking Companies Ordinance 1962.***

[The complete details and evidence pertaining to this section are contained in the report 'FINAL INVESTIGATION REPORT NO. 3' titled "Bank Capture / illegal creation of Summit Bank".]

4. THE ABNORMAL AND EXPONENTIAL GROWTH OF OMNI CARTEL (2009 ONWARDS)

75. Omni Group has been an important beneficiary of the operation of 'Fake Accounts'. The 'Fake Accounts' were operated under the directions of Aslam Masood, CFO Omni Group and Arif Khan, Accountant. The total credit and debit turnover of Omni Group with 'Fake Accounts' stands at **Rs 7.1 Billion** and **Rs 8.4 Billion** respectively. When the JIT examined these transactions, it was discovered that major credit originated from bank loans while the major debits included settlement of debt obligations and injecting equity into business entities etc. The massive layering within 'Fake Accounts' (already discussed) shows that an attempt was made to delink the source and ultimate destination of funds. On discovery of the close nexus between the 'Fake Accounts' and layering of its laundered proceeds by the Omni Group, the JIT examined the affairs of Omni Group of companies. This examination revealed a startling and unprecedented (abnormal) growth of Omni Group especially 2009 onwards, explained below.

76. It is pertinent to point out that the attitude of the members of Anver Majid Family was totally *non-cooperative* and at times even *intimidating*. During investigation by the JIT, Mrs. Nazli Majid extended a couched threat to the members of the JIT by saying, "*Alright, I have seen your faces*". However, despite the total non-cooperation, the JIT has been able to unearth the financial crime committed and substantiate the same through documentary evidence, as mentioned below.

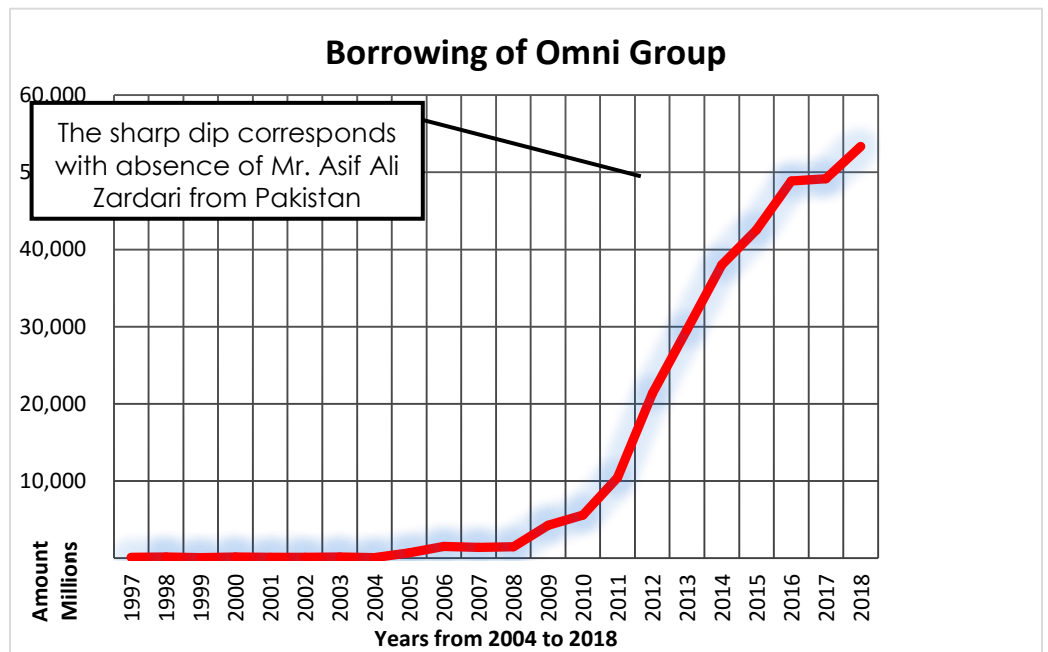
a) Exponential growth in loan portfolio (Rs 53.5 Billion Outstanding)

77. Borrowing position of Omni Group was taken from all banks of Pakistan since 1997 and scrutinized. Based on the scrutiny, it was noted that Omni Group had a total outstanding loan of only Rs.64 Million at close of year 2004. Till close of year 2008 the growth of Omni Group was linear with an outstanding loan portfolio of Rs.1.5 Billion and ownership of six (06) companies, including one front company.

78. From the year 2009 onwards, exceptional and abnormal business growth was witnessed. Within 5 years, total outstanding loans of Omni Group increased to **Rs.38 Billion** (2500 % growth 2008 to 2013). It is pertinent to point out that these were the years that witnessed opening and operation of thirty-two (32) 'Fake Accounts'.

79. During the next five years (2013 to 2018), Omni Group's growth decelerated a bit with a total outstanding loan portfolio increasing to **Rs 53.5 Billion** – only 142 % growth 2013 to 2018 as compared to 2500 % growth from 2008 to 2013. In 2018, the Omni Group had reached a total eighty-three (83) companies operating under its umbrella including twenty-three (23) shell companies, thirty-two (32) front companies in the names of their minion employees/ associates and eleven (11) 'Fake Entities'.

80. The position of loans along with graph showing increase over the period of



1997 to 2018 is given as under: -

81. NBP (Government of Pakistan), Sindh Bank (Government of Sindh) and Summit Bank (Omni Group) were the main banks used for imprudent lending as shown below: -

S	Bank	Total Bank Equity	Prescribed Loan Limit for a single group as per SBP Prudential Regulation 1 (25% of Bank's equity)	Total Loan	Excess Loan in violation of SBP Regulation
			Rs Billion		
		A	B (25% of A)	C	D (C minus B)
1	Sindh Bank Ltd.	16.06	4.01	24.93	20.91
2	National Bank of Pakistan	150	37.5	14.63	-

3	Summit Bank Ltd.	11.03	2.75	11.53	8.77
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82. This shows that if Omni Group was to default today (which actually it has due to the loans being insecure, against inferior collaterals and also siphoned-off) on its loan repayment obligations, all equity of Sindh Bank (**Rs 16.06 Billion**) will be wiped out and Government of Sindh will default an additional **Rs 8.87 Billion** on public money. The equity of Summit Bank (Rs 11.03 Billion raised from crime proceeds, as discussed) would also be wiped out while National Bank of Pakistan will suffer a major setback of default amounting to **Rs 14.63 Billion**.

83. It would be relevant to point here that the above banks ought to have adhered to the SBP's mandatory Prudential Regulations No. 1, 5, 8 and O2 for Corporate/Commercial Banking (lending) which they advertently ignored. The abject failure of the regulatory mechanism of SBP, (and SECP) its complicity in creation and expansion of Summit Bank through various illegal mergers / acquisitions has already been discussed. The influence and proprietary control of the then Presidency (2008-2013) and Mrs. Faryal Talpur, especially in the case of NBP (please refer Para 130) and the proprietary control of Government of Sindh through its Finance Minister (2008 - till date) in the case of Sindh Bank (please refer Paras 213 to 241) has been elucidated with relevant evidence.

b) Techniques of Financial Fraud employed to cover up deliberate imprudent lending to 'Omni Cartel'

84. The following techniques of financial and banking fraud were employed blatantly by 'Omni Cartel' for sanction of these loans: -

i. Fraudulent creation of various groups within Omni Group

85. In order to avail unauthorized exposure (loans and finance facilities) through banks, Omni Group presented itself (fraudulently) to banks as five (05) different groups, in order to circumvent the Regulation R1 of Prudential Regulations for Corporate/Commercial Banking which limit the amount of loan that can be sanctioned to one group by any bank (not exceeding 25 % of bank's total equity). The groups in this 'cartel' were: -

- Anver Majid Group
- Abdul Ghani Majid Group
- Mustafa Majid Group
- Nimr Majid Group

▪ Khawaja Salman Younas Group

86. The above groups should have been classified as one Omni Group as they were beneficially a single entity. For example, a loan or Rs 1.13 Billion issued to New Thatta Sugar Mills (Khawaja Salman Younas Group) was utilized by all groups as mentioned below: -

S	Name of Beneficiary Sugar Mills	Group	Total (Rs Million)
1	Naudero Sugar Mills	Mustafa Majid Group	290
2	Ansari Sugar Mills	Anver Majid Group	221
3	New Dadu Sugar Mills	Nimr Majid Group	173
4	Larr Sugar Mills	Nimr Majid Group	173
5	Bawani Sugar Mills	Anver Majid Group	149
6	Tando Allah Yar Sugar Mills	Abdul Ghani Majid	76
7	Khoski Sugar Mills	Abdul Ghani Majid	40
8	Chamber Sugar Mills	Mustafa Majid Group	11
TOTAL			1.13 Billion

87. In a nutshell, the definition of “Group” as defined in the Prudential Regulations for Corporate/Commercial Banking has been fraudulently circumvented by the largest and most influential ‘cartel’ of Sindh, right under the nose of the SBP.

ii. Fake evaluations by a Single Evaluator (M/s Tracom)

88. In most of the instances, M/s Tracom was used for evaluation of collaterals against which loans were sanctioned. They exaggerated the value of inferior collaterals which were accepted by the banks without any independent evaluation conducted by the bank.

iii. Debt Property Swap – Fraud

89. A debt property of Deewan Automotive (Plot A 1 to A 50, Sector A HITE Lasbella, Hub) pledged with Summit Bank at Rs 198 Million in books were taken by Orient Automotive Pvt. Ltd. on a soft term finance facility and then the same plots (evaluated by M/s Tracom in 2016) were pledged with Sindh Bank to obtain a loan of **Rs 1.8 Billion**. Similarly, in another instance a debt property of one Ali Pervez Ahmed (Plot 87 and 96, Block C, Model Town, Lahore) pledged with Summit Bank at Rs 193 Million in books was taken by Omni Group (through a front company M/s Paramount Builder) on the same price and then the same plots (evaluated by M/s Madadgar Engineering in 2016) were pledged with Sindh Bank to obtain a loan of

Rs 300 Million, which has presently reached to a cumulative outstanding of **Rs 400 Million** (defaulted but not classified as such).

iv. Fraudulent Over Evaluation of Inferior Collaterals

90. Naudero Sugar Mill acquired for Rs 90 Million in 2009 was re-evaluated at Rs 1.56 Billion within three months and again re-evaluated in May 2016 at **Rs 4.13 Billion** (4600 % appreciation in seven years). Loan facilities total amounting to **Rs. 3.51 Billion** (Sindh Bank – Rs 1.23 Billion, Summit Bank – Rs 625 Million and NBP – Rs 1.65 Billion) were availed against this sugar mill.

Tando Allah Yar Sugar Mill, acquired for Rs 40 Million in 2011, was evaluated at Rs 400 Million within one year and again re-evaluated in 2017 at **Rs 1.1 Billion** (2800 % appreciation in six years). Loan facilities total amounting to **Rs. 2.52 Billion** (Sindh Bank – Rs 1.9 Billion and NBP – Rs 600 Million) were availed against this sugar mill.

The JIT engaged an independent evaluator, Joseph Lobo & Iqbal Nanji, through NBP for valuation of assets of Omni Sugar Mills, a significant downward revision was noticed. For example, Bawani and Khoski Sugar Mills were valued at Rs 2 Billion each, which is **46 %** and **32 %** less than the valuation conducted by Tracom (Ref. ANNEX-20 for re valuation report by Joseph Lobo & Iqbal).

[The complete details and evidence pertaining to 'Grabbing of Sugar Mills in Sindh' are contained in the report 'JIT INVESTIGATION REPORT NO. 25 MARKED AS "CONFIDENTIAL".]

v. Illegal Adjustment Lending

91. Adjustment lending to the tune of **Rs 5.2 Billion** have been identified by the JIT in examination of the loan portfolio from 2011 to 2017. Instances have been observed when a loan re-payment would mature; the bank created a separate finance facility (adjustment lending) and adjusted it against the scheduled loan re-payment. This is clear violation of Prudential Regulation No. O 2 of SBP for Corporate and Commercial Banking (window dressing). The banks thereby, provided a chance to Omni Group to avail additional financing facilities from the banks by keeping their portfolio "unclassified" (not defaulted).

vi. Restructuring of Loans (49 Times) to avoid classification as “default”

92. As per SBP's Credit Information Bureau Reports, the loan facilities to various Omni Groups were restructured/ rescheduled more than forty-nine **(49) times** by different banks to avoid their default time and again. Total loans of around Rs.4 Billion were defaulted in different banks while an amount of Rs.783 Million was also appearing as “write-off” against some Omni Group entities as of 31-08-2018.

93. The imprudent loans obtained through committing financial fraud with the banks ended up being fraudulently diverted (misappropriated), layered and ultimately injected as (laundered) equity in other Omni companies raising their credit-worthiness and at times embezzled (Embezzled loans and subsidies of Sindh Bank have been discussed in detail Paras 213 to 2241). In view for the foregoing evidence, it has become evident that the loan portfolio of Omni Group has become “non-performing” against the legitimate cash / business flows. The real value of collaterals is much below the total outstanding loan portfolio of **Rs 53.53 Billion**. The misappropriation of pledged stocks has been witnessed during the course of investigations by the JIT. The Thatta sugar mill has been dismantled without NOC from Government of Sindh (Please refer Para 111).

94. In view of the above state of affairs, it is submitted that an immediate forensic audit of all the outstanding loans of Rs 53.53 Billion taken fraudulently against inferior collaterals (using above mentioned *modus operandi*) and for extraneous use/ misappropriation, through the Auditor General of Pakistan or Independent Auditors to determine the culpability of the Bankers involved in facilitating this 'cartel'.

[The complete details and evidence pertaining to this section are contained in the report 'FINAL INVESTIGATION REPORT NO. 5' titled “The Exponential Growth in Loan Portfolio of Omni Group and Techniques of Financial Fraud”.]

NAB CASE No.2: Fraudulent Omni Group Loans Rs 53.53 Billion

95. The above evidence shows that the current cash / business flows of Omni Group companies have rendered it incapable of servicing the outstanding loans (Rs 53.53 Billion) of NBP, Sindh and Summit Banks. The loans have been acquired fraudulently through misuse of authority of the top management of NBP, Sindh and Summit Banks. The 'default' has been deferred artificially through (unlawful) financing for debt servicing and (49) restructurings. The 'interest payments' of these

loans are being made out of the proceeds of crime and cash laundered through 'Fake Accounts'. Most of the principal loans have already been diverted and misappropriated (discussed in detail in Paras 213 to 241) or shifted abroad through 'Hawala'. The inferior collaterals pledged for loans have rendered Omni Group insolvent. Moreover, **Rs 10.90 Billion** of this loan is outstanding against *Front Companies* (in the name of minion employees). The real value of mortgaged assets of Omni Group and those of the Anver Majid family (combined) fall well below the outstanding loan amount of Rs 53.53 Billion.

RECOMMENDATIONS

96. ***The matter may be referred to NAB, for a thorough inquiry and filing a reference in the Accountability Court for prosecuting those who were involved and recovery of proceeds of crime***

All the declared (moveable and immovable) assets and accounts of Omni Group and those of its directors – the Anver Majid family (combined)” may be frozen immediately, pending the final disposal by the Accountability Court: lest this ‘money laundering cartel’, which started with a paid up capital of Rs 6000 only in year 2000, shifts its assets, made out of public money, abroad.

c) Omni Group Rise – The web of 83 companies to deceive the system

97. Anver Majid and family entered business by setting up a company, namely Omni (Pvt.) Ltd. which was incorporated in June 2000 with a paid up capital of Rupees. 6,000/- only to carry on the business of manufacturing, imports, exports and general traders of all types of items. From 2000-2007 the Group had only five companies in its fold as under:

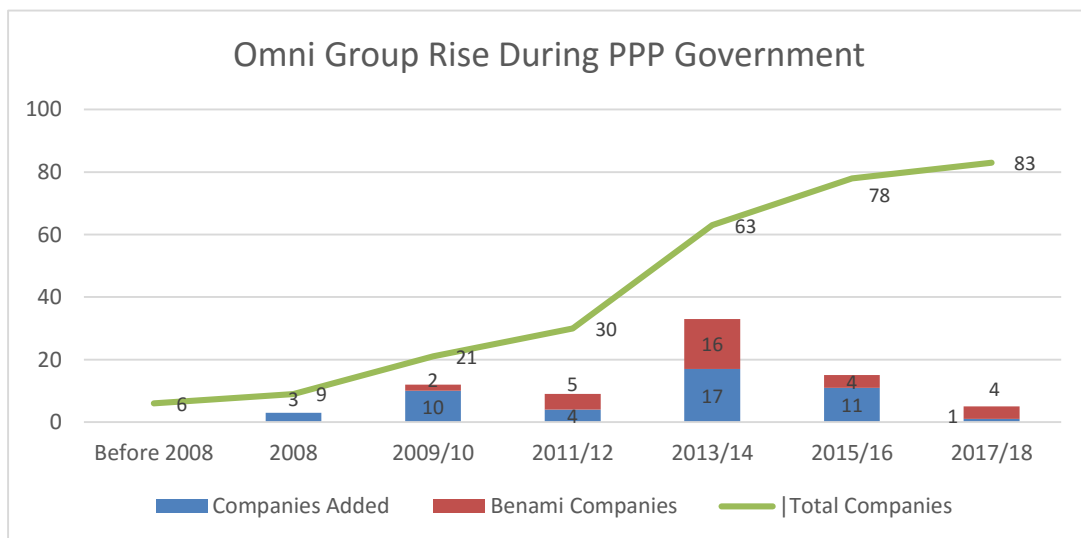
- In 2000, Omni (Pvt.) Ltd
- In 2001, Naudero Sugar Mills (Pvt.) Ltd
- In 2002, Regents Services (Pvt.) Ltd
- In 2004, Pinnacle Distilleries (Pvt.) Ltd
- In 2005, Omni Polymer Packages (Pvt.) Ltd

98. The Omni Group could expand in a linear fashion from one (01) company in 2000 to 6 (including one (01) front company) till year 2007. However, during 2008-2018, 77 other companies (including 31 front companies) were added to the Group.

70 companies out of total 83 were added from 2008 – 2015, these seven years include five years (2008-2013) Presidency of Mr. Asif Ali Zardari. During the next three years i.e. from 2015 – 2018, only seven (07) companies (including six (06) front companies) were added in the group portfolio. This bewildering increase during the PPP (P) Government years clearly shows the symbiotic hyper growth nexus between Mr. Asif Ali Zardari and Omni Group.

99. The subsequent sections of this report will clearly elucidate how this web of Omni companies was acting as a front group of Mr. Asif Ali Zardari.

100. Out of 51 companies, 23 companies have not submitted their financial statements to FBR and are acting like *shell companies* of *tax-havens*. Based on latest available financial statements of fifty-one (51) companies, assets aggregate to Rs. 88.68 Billion (fraudulent over-evaluation already discussed) whereas their liabilities have been reported at Rs. 52.68 Billion. Year-wise position of incorporation/acquisition is shown in the table below: -



101. The above graph shows 28 active companies, 23 *shell companies* and 32 'Front Companies' (in the names of minion employees) operated by Omni Group most of which have been actively engaged with 'Fake Accounts'.

d) Omni Group Companies as Vehicles of Money-Laundering

102. Unexplained / non-bonafide receipts amounting to **Rs 22.72 Billion** money-laundering have been reflected for selected business entities / directors in a table form earlier in this report.

103. This shows that even the ostensibly genuine businesses of Omni Group were actively involved in laundering kickbacks, corruption, misappropriations and other proceeds of crime that were placed in Fake Accounts. Just to elucidate the laundering role of Omni Companies, a few of the transactions of Thatta Agro Development Farms with Fake enterprises are mentioned below: -

S	Fake Entity	Owner of Fake Entity	Credited by Fake Entity to Thatta Agro Farms (Rs. Millions)	Debited from Thatta Agro Farms to Fake Entity (Rs. Millions)
1	Dream Trading	M.Rasheed (<i>Rikhshaw wala</i>)	697	315
2	Ocean Trading	Muhammad Qadir (<i>Falooda wala</i>)	774	340
3	Iqbal Metals	Iqbal Arain (Late), sanitary store worker	359	115
TOTAL			1830	770

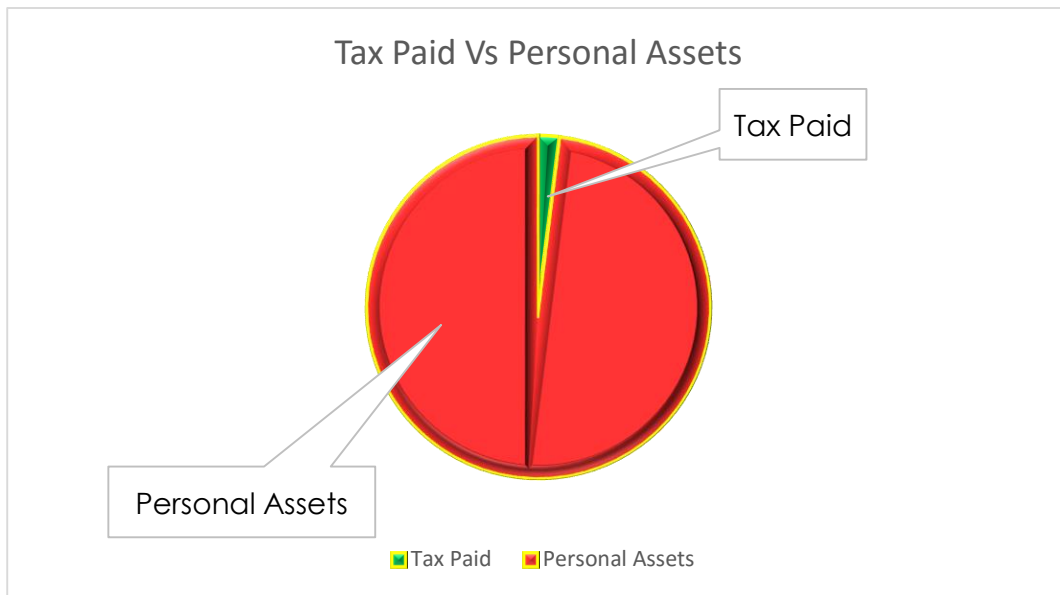
e) Abnormal Growth of Personal Wealth of Members of Majid Family

104. The growth and acquisition of assets and bank accounts was not limited to the companies of the Omni Group but its directors, i.e. members of the Anver Majid family, transacted huge amounts through their personal accounts and acquired personal assets disproportionate to their declared taxable incomes. A synopsis of this glaring financial anomaly is given below:

Name of Director / Shareholder of Omni Group (Anver Majid Family)	Total Taxable Income Declared to FBR in Last Ten Years (2008 – 2017 Rs Million)	Total Income Tax Paid in Last Ten Years (2008 – 2017 Rs Million)	Declared Wealth as of (June 2017 Rs Million)
Anver Majid	329	20.81	2335
Abdul Ghani Majid	727	73.48	2125
Nimr Majid	402	28.86	615
Mustafa Z Majid	39	5.68	1074
Ali Kamal Majid	10	0.91	119

Nazli Majid	39	10.43	226
Menahil Majid	36	6.91	1010
Noor Nimr Majid	23	3.72	60
Saima Majid	16	2.55	175
Sara Tareen Majid	16	0.65	-
TOTAL	1.64 Billion	154 Million	7.74 Billion

105. The Anver Majid family members, during the last ten years (2008-2017) declared a taxable income of 1.64 Billion; however, they acquired *personal assets* (declared) worth **Rs 7.74 Billion**. However, these personal assets have been valued



at a price much lower than the market value.

[The complete details and evidence pertaining to this section are contained in the report 'FINAL INVESTIGATION REPORT NO. 13' titled "Tax Evasion – Money Laundering".]

f) Acquisition of Thatta Cement through laundered proceeds and holding companies

106. The Thatta Cement Co. Ltd. was established in 1980 and Arif Habib Group controlled its shares (92 %) till 2009. Subsequently (2013-2017) four (04) holding companies mentioned below were raised to acquire controlling shares (51 %) of Thatta Cement Co. Ltd.

- Al-Mirth Holding (Pvt.) Ltd (14.94 % shares)
- Golden Globe Holding (Pvt.) Ltd (8.5% shares)
- Sky Pak Holding (Pvt.) Ltd (21.21% shares)

- Rising Star Holding (Pvt.) Ltd (6.55 % shares)

107. The investigations have found out that the directorships of the above mentioned four (04) holding companies are held by minion employees of Omni Group and Younas Kuwait (Frontman) Group. Additionally, one suspect Muhammad Ashraf (CNIC 42101-7788492-5) who is owner of 'Fake Entity' M/s Logistics Trading is also a director of Sky Pak Holding (Pvt.) Ltd.

108. Khawaja Salman Yonis, COO Omni group, admitted that these holding companies are front companies of the Omni Group (Ref. ANNEX-21 for his statement). A probe into Thatta Cement was initiated when it was discovered that an amount of Rs 135 Million was paid out of a 'Fake Account' (Royal International) in Summit Bank by Al-Miftah Holding (Pvt.) Ltd to Arif Habib Group for its acquisition. The linkage with 'Fake Accounts' indicates that Omni Group used laundered crime proceeds for acquiring controlling shares of Thatta Cement.

[The complete details and evidence pertaining to this section are contained in the report 'FINAL INVESTIGATION REPORT NO. 7B titled "Illegal Acquisition of Thatta Cement".]

g) Illegal Acquisition of Thatta and Dadu Sugar mills from Government of Sindh at throw-away prices

109. The JIT during investigations found out that **Rs 600 Million** was transferred in the account of Nasser Abdullah Lootah from two (02) Fake Accounts – Umair Associates and Iqbal Metals (Ref. ANNEX-22 for transaction record). The amounts were transferred into Fake Accounts by Thatta (Rs 200 M) and Chamber (Rs 400 M) Sugar Mills and another amount of Rs 400 Million was also transferred from Larr Sugar Mill.

110. This led JIT to probe the reasons for its transfer and matters incidental to these sugar mills.

111. As a consequence of this probe, the JIT found out that Omni Group has acquired two (02) sugar mills from Government of Sindh at throw away prices, without taking over their liabilities. Details are as follows: -

S	Sugar Mill		
	Naudero	Thatta	Dadu

1	Acquisition (Rs Million)	68	127.5	90
2	Acquired From / Year	PIDC / 2001	GoS / 2013	GoS / 2008
3	Asset Value at time of Acquisition (Rs Million)	142.89	716.11	626.70
4	Liabilities (Rs Million)	569.12	1500	

112. The JIT has found out that while approving a very low bid for Thatta sugar mill (only 18 % of the asset value), against the advice of Secretary Finance, the then Finance Minister Sindh Mr. Murad Ali Shah, (Ref. ANNEX-23 for copy of Summary) strongly recommended the Summary, inter-alia, on the ground that approval of the bid, *“will be beneficial for local job creation and also benefit the economy”*.

113. Instead of job creation or any economic benefit, Thatta Sugar Mill obtained a loan of **Rs 895 Million** from the Government of Sindh, in the name of Revival of Sick Industrial Units Policy (without coming into operation for a single day) and was dismantled in 2017 without the mandatory NOC. **Rs 600 Million** of the said loan was misappropriated via ‘Fake Accounts’ to Nasser Abdullah Lootah as mentioned above.

[The complete details and evidence pertaining to this section are contained in the report ‘FINAL INVESTIGATION REPORT NO. 7A titled “Illegal Acquisition of Government Industries at Throw Away Prices”.]

NAB CASE No.3: Thatta and Dadu Sugar Mills Case

114. The above evidence clearly shows misappropriation of huge public money (selling of State Industry at throw away prices) through misuse of authority by the then Finance Minister and other complicit officers of Government of Sindh. Additionally, a loan of Rs 895 Million was misappropriated and the mill was dismantled.

RECOMMENDATION:

The matter may be referred to NAB, for a thorough inquiry / investigation and filing a reference in the Accountability Court for prosecuting those who were involved and recovery of the proceeds of crime.

h) Grabbing of Sugar Mills in Sindh by the most influential group

115. [The complete details and evidence pertaining to 'Grabbing of Sugar Mills in Sindh' are contained in the report 'JIT INVESTIGATION REPORT NO. 25 MARKED AS "CONFIDENTIAL".]

i) Claim of Tax Amnesty (2018) by entire Omni Group and declaration of domestic as well as foreign hitherto concealed assets

116. It has come to knowledge during probe by the JIT that several members of the Anver Majid family have availed the amnesty benefits of "Voluntary Declaration of Domestic and Foreign Assets (Declaration & Repatriation) Ordinance-2018". Moreover, JIT has learnt indirectly through certain documents recovered during a raid / seizure that Anver Majid and his family members have availed tax amnesty as under: -

S	Name of Anver Majid Family Member	Value of Local Assets declared in Amnesty 2018 (Rs Million)	Value of Foreign Assets declared in Amnesty 2018 (Rs Million)	Value of Local Assets declared in Amnesty 2018 (Rs Million)	Value of Foreign Assets declared in Amnesty 2018 (Rs Million)	Declared in wealth in last statement	Total (Personal) as revised
		Original Declaration		Revised Declaration			
1	Anver Majid	725	-	869	-	2335	869
2	A. Ghani Majid	1000	655	1225	725	2125	1950
3	Nimr Majid	150	5	-	-	615	155
4	Mustafa Z Majid	200	-	-	-	1074	200
5	Ali Kamal Majid	360	-	377	-	119	377
6	Nazli Majid	50	78	-	204	226	254
7	Menahil Majid	200	391	-	669	1010	869
8	Noor Nimr Majid	50	2	-	-	60	52
9	Saima Majid	30	-	-	-	175	30
10	Sara Tareen Majid	94	-	-	-	-	94
	TOTAL	2859	1131	2471	1598	7739	4850

117. The Anver Majid family which had declared personal assets worth **Rs 7.74 Billion** in their last wealth statements filed in 2016/17 have availed the Tax Amnesty Scheme – 2018 and have declared additional personal assets worth **Rs 4.85 Billion**. It is noteworthy (as shown in the above table) that five (05) family members submitted revised declarations whereby they revised upwards their earlier declarations

submitted (30-06-2018) in the Tax Amnesty Scheme 2018. These revised submissions were made from 31-07-2018 to 01-09-2018. Anver Majid and Ali Kamal Majid revised their domestic assets while Nazli and Menahil Majid revised their foreign assets.

118. Abdul Ghani Majid not only revised his domestic as well as foreign assets but also owned and declared Fake Bank Accounts opened in the name of A-One International, Iqbal Metals, Logistic Trading, Lucky International, Royal International and Umair Associates. However, he did not own the Fake Accounts of Dream Trading (M. Rashid Rikhshaw wala) and Ocean Enterprises (M. Qadir Falooda wala). This shows the malafide in the declaration that *only the accounts which have been mentioned in FIR 4/2018 of FIA SBC, Karachi* have been declared in the revised amnesty submission. Interestingly, Abubakar Zardari (Lawyer), on behalf of Mr Asif Ali Zardari, in his written reply revealed that two 'Fake Accounts' of Dream Trading (M. Rashid Rikhshaw wala) and Ocean Enterprises (M. Qadir Falooda wala), which have not been disclosed by Abdul Ghani Majid, are also (Fake) Business Entities of Omni Group (Ref. ANNEX-24 for copy of written response on behalf of Mr. Asif Ali Zardari).

119. The Omni Group also deposited tax under Tax Amnesty 2018 (Domestic) in respect of certain individuals (front men) and their front companies (but actually belongs to Omni Group) from the account of Bawani Sugar Mill (A/C No. NBP Corporate Branch Chappal Plaza Karachi) as under: -

S	Individual / Company Name	Tax Paid on Amnesty (Rs Million)
1	Aurangzeb Khan (CNIC 42301-6192252-5)	0.52
2	Tahir Mahmood (CNIC 35201-7396452-2)	2.6
3	Khawaja M. Salman Younas (CNIC 42301-3840087-5)	2.5
4	Crown Transport Pvt Ltd. (NTN 7601901)	4.4
5	National Gases Ltd. (NTN 1480103)	2.6
6	Pak Ethanol Pvt Ltd. (NTN 3662244)	0.74
7	Wahaj Wind Energy Pvt Ltd. (NTN 4346089)	0.43
8	TAY Power Gen Co. Pvt Ltd. (NTN 4391627)	0.9
TOTAL		14.69

120. In view of the foregoing evidence it is submitted that the above mentioned asset declarations in Amnesty 2018 be declared as void under the purview of sections 4 (1) (b), 4 (2), 14 and 16 of the Voluntary Declaration of Assets Ordinance 2018. FBR may be directed to provide the official record of amnesty availed by the

Anver Majid family which has been declined to the JIT on grounds of confidentiality provided by section 11 &13 of the aforementioned Ordinance.

5. THE OMNI - 'FAKE ACCOUNTS' - ZARDARI NEXUS: BENEFICIAL INTERESTS OF ZARDARI FAMILY

121. During the investigations of Fake Accounts, it transpired that most of 'Fake Entities (11)' had International Business and Shopping Centre (IBSC) as their business address in their account opening forms. Moreover, Fake Accounts were found to be interacting with Zardari Group and M/s Park Lane (beneficial ownership of Mr. Asif Ali Zardari and Mr Bilawal Zardari as discussed below). On this the JIT examined, the JV between Park Lane and Parthenon and dissected the role of a frontman Younas Kudwai (also closely associated with Omni Group).

a) JV BETWEEN PARK LANE AND PARTHENON – International Business and Shopping Centre (IBSC) Project – A Pre-Meditated Move for Loan Misappropriation

122. The JIT detected a transfer of Rs 357.7 Million from twelve (12) identified 'Fake Accounts' (Ref. ANNEX-25 for copy of an instrument with maximum transaction) into the accounts of M/s Parthenon Pvt Ltd. Moreover, it was found out that an amount of Rs 81 Million was transferred into two (02) 'Fake Accounts' by M/s Parthenon Pvt Ltd.

M/s Parthenon Pvt Ltd.

123. It was found out that M/s Parthenon was merely a 'front company' (straw-borrower) of M/s Park Lane Pvt Ltd (Company of Mr Asif Ali Zardari). The following facts corroborate this observation:

- M/s Parthenon had no independent business of its own when it entered into a JV with M/s Park Lane (Oct 2009)
- Its directors at that time of incorporation (02-09-2009) were one Iqbal Noori, (who has disclosed that he is a dummy of Younas Kudwai) and another Iqbal Ghafoor, who was a representative of Abdul Ghani Majid. The interview of Iqbal Noori (Ref. ANNEX-26 for his statement) revealed that Younas Kudwai was controlling the affairs of M/s Parthenon Pvt Ltd. It is noteworthy that later in 2013, Younas Kudwai

formally took over and became the shareholder / director of M/s Parthenon Pvt Ltd

- While Younas Kudwai was controlling the affairs of M/s Parthenon Pvt Ltd from 2009 – 2013 (as mentioned above), side by side he was a shareholder / director of M/s Park Lane as well
- M/s Parthenon had only Rs 600 Million equity (injected) that too sent by Abdul Ghani Ansari (Ref. ANNEX-27 for record of transfer of Rs 600 Million) who had been the frontman of Mr Asif Ali Zardari at Dubai (corroborated by the fact that he made payments for personal luxury vehicles of Mr. Asif Ali Zardari, please refer Para 150) and has also sent numerous remittances in other Fake Accounts / businesses of Omni Group. It had no collaterals of its own and was hence a mere paper company (shell) which acted as front company of M/s Park Lane to borrow huge loan of total Rs 2.4 Billion (straw-borrower) within one month of its creation
- M/s Park Lane had created a pre-meditated 'JV' (Oct 2009) with M/s Parthenon before raising the loan of Rs 2.4 Billion for fraudulent misappropriation by M/s Park Lane through "*non-arm's length transaction*" (explained below)
- Funds amounting to Rs 266 Million from Bahria Town were transferred to M/s Parthenon, on 14-10-2014 through RTGS No. 3600789, routed through one of the Fake Accounts (M/s Ibrahim Linkers, Fake entity in the name of Erum Aqeel) for its debt re-payment obligation without any justifiable and legitimate economic consideration against this payment
- After the misappropriation of loan (2009) under discussion in this section, it conducted no other business till date, in its entire lifetime. However, one Nadeem Ahmed Khan (employee of M/s Parthenon and maintenance in-charge of IBSC) in collusion with Younas Kudwai and KDA officials has illegally acquired prime amenity plots reserved for library and Mandir (2010/12) in Clifton Karachi (please refer Paras 247 to 249)

Park Lane Estates Pvt Ltd

124. Park Lane Estates Pvt. Ltd (Park Lane) was a construction company incorporated on 18-09-1979. Initially it was owned by Mr. SadarudDin Hashwani and Hashoo Group of Companies till 1989. In 1989, Mr. Asif Ali Zardari acquired the company along with his front man (Iqbal Memon). Its shareholding from 2009 (until date) is as under: -

- | | | |
|--|---|--------|
| ▪ Asif Ali Zardari | - | 25 % |
| ▪ Bilawal Zardari | - | 25 % |
| ▪ Muhammad Iqbal Memon | - | 25 % |
| ▪ Rehmatullah Habib
(Father of present frontman Younas Kudwai) | - | 12.5 % |
| ▪ Younas Kudwai
(Present Frontman of Asif Ali Zardari, CEO of M/s Park Lane authorized to operate the company accounts by the Directors since 22-08-2008) | - | 12.5 % |

International Business and Shopping Centre (IBSC) Saddar Karachi

125. IBSC was a 6089 Square yards (7 storeys) commercial project purchased by Park Lane Pvt Ltd. on 28-08-2008. It is pertinent to mention here that this property was frozen in 1998 by the Ehtisab Commission in Ehtisab reference no 26/98, as a 'Benami' of Mr Asif Ali Zardari held in the name of his then frontman Iqbal Memon. Nevertheless, its ownership got transferred from International Builders (Iqbal Memon) to AR Developers (Nasir Jamal) in 2000(The transfer of frozen 'Benami' assets of Mr. Asif Ali Zardari has been observed in the case of Plots C5 / 6, Clifton, Karachi as well, please refer Para 188).This also shows that 'Benamis' of Mr. Asif Ali Zardari identified by Ehtisab Commission in 1998 are still held by him through his frontmen.

The Park Lane – Parthenon Joint Venture (JV)

126. A JV was entered between Park Lane and Parthenon, transferring power of attorney of IBSC to Parthenon in October 2009. As per the JV agreement clause 1.1.1 Parthenon was to pay an Rs 1 Billion and as per clause 1.1.10 an additional Rs 500 Million to Park Lane (as security) out of the total sanctioned loan of **Rs 2.4 Billion**. It is noteworthy that this loan was for the construction of additional eight (08) storeys

of IBSC. The first tranche of **Rs 1.5 Billion was received by Parthenon on 29/30-10-2009 and transferred to Park Lane on the same dates**. This huge amount of loan was taken out in cash (misappropriated) by Park Lane through various cash transactions within less than two (02) months and never shown in their tax returns and books of accounts.

The Modus Operandi of Mortgage Fraud – Non-Arm’s Length Transactions and Straw Borrowers

127. Mortgage fraud using “*non-arm’s length transactions*” and ‘*straw borrowers*’ is a well-known modus operandi of financial fraud in international criminal jurisprudence. A “*non-arm’s length transactions*” is a transaction conducted with one’s own self (like one pocket to another), a frontman / front company or a very close relative / associate and is usually a non-bonafide transaction depending upon the purpose for which it is used. This is in contrast to the bonafide “*arm’s length transactions*” which is conducted with a bonafide third party having an independent business, decision making and distinct entity.

128. “*Non-arm’s length transactions*” in this instance (please refer clause 1.1.1 and 1.1.10 of JV Agreement mentioned in Para 126 above) helped create a ‘bogus’ right in favour of Park Lane. It is noteworthy that if M/s Park Lane would have pledged its property itself for construction of additional storeys of IBSC, it could not have been able to create a separate lien for its own use out of the loan amount. Hence the JV was used as an instrument to create a ‘bogus’ right out of the loan amount, form the ‘*straw borrower*’ (Parthenon – a front company) and subsequently divert and misappropriate it. The end result of this transaction is that today a front company Parthenon has a cumulative default of Rs 3.74 Billion while Park Lane enjoys Rs 1.5 Billion misappropriation and also retains its ownership and proprietary control of IBSC which was pledged for this loan.

The Role of Consortium of Banks (NBP and Summit Bank)

129. The consortium of NBP and Summit Bank who approved this Rs 2.4 Billion loan have been found involved in the following: -

- The value of mortgaged property was revised from Rs 50.2 Million upwards to Rs 1.5 Billion (30 times) before it was committed to the JV in a single year in disregard to the accepted valuation methods
- The consortium, while disbursing the loan on 29/30-10-2009 for construction of eight (08) storeys of IBSC, disregarded that the building plan from Karachi Cantonment Board (KCB) was missing and was in fact approved after one year
- The consortium, also disregarded that the existing IBSC had already been sub-leased leaving little value with the mortgager to secure such a huge loan

130. The proprietary influence of the ruling Zardari family over NBP and Summit Bank gets reflected indirectly through a Letter (Ref. ANNEX-28 for copy of the letter) from Muhammad Bilal Sheikh, President / CEO of Sindh Bank, to Mrs. Faryal Talpur. In response to instructions by Mrs. Faryal Talpur to appoint four (04) officers at key positions in Sindh Bank including one Waseem Hyder Jalbani as SVP in Sindh Bank, Bilal Sheikh proposed to take him as VP in corporate market department which was headed by Sheikh Humayun Saghir - brother in law of Mr. Qamar Hussain (President NBP). This letter further reveals that Mr. Waseem mentioned above while meeting Bilal Sheikh gave him the reference of Hussain Lowai (President Summit Bank), Mrs. Faryal Talpur and the then President of Pakistan (Mr. Asif Ali Zardari).

The role of Mr Asif Ali Zardari, the then President of Islamic Republic of Pakistan

131. The JIT is of the opinion that Mr Asif Ali Zardari not only orchestrated this fraudulent misappropriation but is also the ultimate beneficiary because of the following: -

- Mr Asif Ali Zardari and Mr Bilawal Zardari have 50 % direct beneficial share of M/s Park Lane and controls the remaining shares through dummy directors / frontmen (Younas Kudwai, CEO and Iqbal Memon)
- The connivance of NBP and the consortium in sanctioning the huge Rs 2.4 Billion loan to a front company (M/s Parthenon) within one month of its incorporation, with no business experience of its own

speaks about the proprietary control over the banking system by the beneficiary Mr Asif Ali Zardari

- The connivance of NBP and the consortium in overlooking the glaring financial (mortgage) fraud using “*non-arm's length transactions*” and ‘*straw borrower*’ could not have been inadvertent due to reason mentioned above
- The JIT discovered that the consortium of NBP and Summit Banks has registered the default of Rs 3.74 Billion against Parthenon which is merely a “*straw-borrower and front company*” in this case
- Younas Kudwai (accused / absconder in the FIR no 4/2018 FIA ACC Karachi), who controlled the affairs of Parthenon in 2009 and later became its formal director in 2013 is not only a close confidante of Mr Asif Ali Zardari but also a co-director with Aslam Masood, CFO Omni Group in another front company – M/s Rubicon Builders. It is pertinent to note here that M/s Rubicon Builders, a mere paper company has been used to misappropriate a Sindh Bank loan of Rs 1 Billion (Please refer Para 68). This shows that Younas Kudwai was acting as a frontman and lynch pin both for Mr Asif Ali Zardari and Omni Group and was playing an instrumental role in misappropriations of the loans
- Business address of the straw borrower M/s Parthenon is Room 30, 4th floor, IBSC (Ref. ANNEX-29 for incorporation of the company and verification of address) – a property owned by Mr. Asif Ali Zardari through Park Lane. The address of seven (07) other fake business entities out of total eleven (11) in account opening forms is also IBSC. M/s Parthenon existed on the business address of Mr Asif Ali Zardari
- The plea that Mr Asif Ali Zardari had resigned from the directorship of Park Lane is not tenable. Mr Asif Ali Zardari nominally resigned as director on 01-09-2008 a few days before assuming office as President (09-09-2008) as it was a legal obligation before entering the President’s office. He had already purchased the IBSC on 28-08-2008 as Director of Park Lane

- Clause 4 of Articles of Association of M/s Park Lane (Ref. ANNEX-30 for Articles of Association of M/s Park Lane), read with Clause III (2) of Memorandum of Association of M/s Park Lane (Ref. ANNEX-31 for Memorandum of Association of M/s Park Lane) clearly stipulates that every present or future member (shareholder) will be deemed to be aware of the agreement(s), or any supplemental, further, or altered agreement or agreements in reference to the subject matter of such agreements, as executed by the company
- The investigation has found strong connection of Mr. Asif Ali Zardari with the misappropriated funds. A resolution by the board of directors of M/s Park Lane on 22-08-2008 has been signed by Mr. Asif Ali Zardari as director (Ref. ANNEX-32 for copy of resolution), authorizing opening of company's account in HBL, Abdullah Haroon Road Karachi (housed in IBSC) and its operation by Younas Kudwai (CEO / Frontman). The account opening form of this company account dated 27-08-2008 (Ref. ANNEX-33 for copy of account opening form) also bears CNIC copy and signatures of Mr. Asif Ali Zardari. It is pertinent to mention here that the misappropriated loan (Rs 1 Billion) was transferred by M/s Parthenon into this account No. 1403-7900-0615 - 03. The remaining Rs 500 Million was transferred into another Account No. 1403-7900-1333-01 in the same branch of HBL. An amount of Rs 1 Billion transferred in the first account was placed into the second account. Ultimately total amount of Rs 1.5 Billion was withdrawn in cash within two (02) months by Younas Kudwai (Frontman)
- This amount of Rs 1.5 Billion is not reflected in the books of accounts of the company (M/s Park Lane) ever since. This is despite the fact that almost ten (10) years have lapsed since the cash withdrawals by M/s Park Lane

[The complete details and evidence pertaining to this section are contained in the report 'FINAL INVESTIGATION REPORT NO. 9 titled "JV Park Lane Pvt. Ltd. & Parthenon Pvt. Ltd. (IBSC) – A premeditated move for loan Misappropriation".]

**NAB CASE No.4: Rs 1.5 Billion Loan Misappropriation through JV Park Lane–
Parthenon**

132. The above evidence clearly shows that Mr. Asif Ali Zardari in his capacity as President of Pakistan has been involved in the misuse of authority and misappropriation of huge public money (Rs 1.5 Billion loan) under NAO 1999.

RECOMMENDATION

NAB may be directed to conduct a thorough inquiry/ investigation, followed by filing a reference against Mr. Asif Ali Zardari- his frontman Younas Kudwai, Mr. Bilawal Bhutto Zardari and co-accused bank officials, in the Accountability Court and recover the misappropriated loan (Rs 1.5 Billion) along with the total outstanding loan of Rs 3.74 Billion (loss to the public exchequer).

b) The Saga of BAKHT TOWER – G2 Plot

133. The Headquarter of Summit Bank is located at Bakht tower situated at G2 Plot. The residential plot, situated at Plot No G-2, Block 2, Clifton Karachi measuring 3832 Square yard ("G-2 Plot") was transferred in the name of Shabnam Bhutto and Rukhsana Bhutto on 16-09-1980 from one Sumiya Ayaz-ud-din. That (late) Mohtarma Benazir Bhutto through a letter dated 24-03-1998 requested Karachi Development Authority, (KDA) for transfer of G-2 Plot jointly in her and Bhutto family member's name. After lapse of six (06) months, KDA through letter dated 25-09-98 informed Ms. Benazir Bhutto that one Syed Hussain Faisal Shah has applied for the transfer of G-2 Plot on the basis of sale agreement signed by Syed Hussain Faisal with Shabnam Bhutto and Rukhsana Bhutto. Khawaja Anver Majid was acting as attorney of Syed Hussain Faisal Shah and made correspondence with KDA for transfer of the plot that was done on 01-02-02.

134. On 25-04-2002 the same plot was transferred to a newly established company (23-04-2002) namely Regent Services (Pvt.) Ltd., with the directorship of Syed Hussain Faisal Shah, Khawaja Abdul Ghani Majid and Khawaja Mustafa Zulqarnain Majid. Thereafter the G-2 Plot lease was registered on 19-10-2002 in the name of Regents Services (Pvt.) Ltd by Karachi Development Authority. The area of the G-2 Plot was inexplicably increased from 3832 to 4000 Square yards through the deed of addendum of lease dated 12-11-2008. Regent Services (Pvt.) Ltd was granted NOC

for conversion of land use from Residential to Commercial shops (Ref. ANNEX-34for NOC), offices, flats and show room on 26-11-2008.

135. During the course of JIT investigations, Syed Hussain Faisal Shah denied purchase of G-2 property. He informed that he was a student when his uncle Ghulam Qadir (then Director PIA) asked him to go and sign some documents in the house of Anver Majid. Whereas Ghulam Qadir stated that he was asked by Abu Bakar Zardari (Adv of Mr. Asif Ali Zardari) to send some trustworthy person for signing few documents regarding establishment of some business entity as front.

136. Interestingly, Mr. Anver Majid was holding the power of attorney of the front owner Syed Hussain Faisal Shah, and then this property was taken into a company namely Regent Services (Pvt.) Ltd. It indicates that Mr. Asif Ali Zardari was the beneficial owner through Anver Majid. The Summit Bank Ltd. and Regent Services Pvt. Ltd entered into agreement to sell on dated 28-06-13 for sale/purchase of G-2 plot for a total consideration of Rs 950 Million.

[The complete details and evidence pertaining to this section are contained in the report 'FINAL INVESTIGATION REPORT NO. 16D titled "Bakht Tower – G2 Plot".]

6. UTILIZING PROCEEDS OF CRIME FROM 'FAKE ACCOUNTS' – THE JOINT BENEFICIAL OWNERSHIP OF OMNI – ZARDARI NEXUS

137. During the investigations of Fake Accounts, the JIT has identified many instances where the laundered proceeds of crime from 'Fake Accounts' were used as much for the personal expenditures of Mr. Asif Ali Zardari, Mrs. Faryal Talpur and PPPP leadership if not more, as they were used for Anver Majid Family. Some of the instances are given below: -

a) Provision of Cement for Construction of Residence of Mrs Faryal Talpur from Fake Accounts

138. Payments to the tune of Rs 3.58 Million were made in 2011 / 12 out of various Fake Accounts for purchase of cement from Thatta Cement for construction of residence of Mrs. Faryal Talpur (Plot No.19, St.28, Phase V Ext. DHA Khayaban-e-Shamsher Karachi) - (Ref. ANNEX-35for details of Rs 3.58 Million along with account Nos. and titles of account).

b) Payments to “Z House” Nawabshah from Fake Accounts

139. A payment of Rs 0.89 M was made from a Fake Account in year 2011 to Thatta Cement on account of provision of cement to Z House Nawabshah (Ref. ANNEX-36for transaction).

c) Payments to ‘Baray Sahib’ – Asif Ali Zardari

140. During the analysis of an electronic device (external hard disk drive seized during raid on Khoski sugar mill) a data regarding payment of **Rs 1.09 Billion** from various accounts of Omni Sugar mills was found. The data showed Rs 265.4 Million of the above amount was withdrawn on behalf of ‘Baray Sahib’ and Rs 241 Million were paid to the account of Mrs. Faryal Talpur. The payments to ‘Baray Sahib’ were divided into sub heads ZH (Zardari House), BH (Bilawal House) and Abu Bakar Farms etc.

Akhlaq Ahmed – In-Charge Zardari House Islamabad

141. As per the digital record Rs 54.45 Million was paid to Akhlaq Ahmed, resident of HouseNo. 8, Street 19 F-8/2 Islamabad (Zardari House). Moreover, as per the KYC form attached with account opening forms of Akhlaq Ahmed, employer name is mentioned as Zardari House. When the transactions in the accounts of Akhlaq Ahmed and Omni sugar mills (Ansari sugar mill) were analysed, it was revealed that cash deposits were taken out from the account of sugar mills and correspondingly same cash amounts were deposited online from Karachi in the account of Akhlaq Ahmed maintained in Silk Bank. It is worth mentioning here that even while remitting expenses for Zardari and Bilawal Houses from Omni sugar mills, the trail of money were disrupted using cash withdrawals and deposits.

Nadeem Bhutto – In-Charge President House Naudero from Fake Accounts

142. Multiple payments amounting to Rs 8.96 Million were made from a Fake Account (Umair Associates) in years 2014/15 to Abdul Nadeem Bhutto (Ref. ANNEX-37for transaction). When the JIT probed it found that the account opening form of Abdul Nadeem Bhutto showed that he was in-charge President House Naudero. Other payments total amounting to **Rs 42.88 Million** (including Rs 8.96 Million mentioned above) were detected into the account of Nadeem Bhutto from other Fake Accounts (A-One International, Iqbal Metals, Logistic Trading and Royal International). Additionally, Rs 16.62 Million was found to be remitted in the joint

account of Nadeem Bhutto and his wife Uzma Nadeem, from the account of Naudero sugar mill.

[The complete details and evidence pertaining to 'Baray Sahib' – Asif Ali Zardari', are contained in the report 'JIT INVESTIGATION REPORT NO. 25 MARKED AS "CONFIDENTIAL".]

d) Payment of Import Duty of Gifted Vehicles for the President of Pakistan 2009/10 from Fake Accounts

143. During the investigation of Fake Accounts (M/s Lucky International – Fake Business Entity in the name of one Adnan Javed, Computer Hardware Technician), it was revealed that payments of Rs 37.16 Million were issued during 2014 in the name of Collector of Customs(Ref. ANNEX-38for amount paid form Fake Accounts). It was identified that these funds were originally deposited by Bahria Town Pvt. Ltd. into Fake Account of M/s Lucky International, out of which the subject payment was made.

144. The JIT investigation established that these amounts were used for the payment of duty and taxes of three vehicles (Embassy of UAE - 02 vehicles and Embassy of Libya -01 Vehicle), which were gifted to the then President Mr. Asif Ali Zardari during 2008. Later the said vehicles were registered in the name of Asif Ali Zardari and also declared in his nomination papers submitted to Election Commission of Pakistan(Ref. ANNEX-39for Mr. Asif Ali Zardari's nomination papers). As per record of Pakistan Customs, Rs. 48.28 million were required to be paid and ex-president Mr. Asif Ali Zardari deposited amount of Rs. 37.16 Million from Fake Accounts. Whereas, the differential amount of Rs. 11.11 Million is yet to be deposited.

145. Additionally, payments of Rs 9.15 Million and Rs 11.11 Million were deposited into "Tosha Khana" from Silk Bank Account of Mr. Asif Ali Zardari and from National Bank Account M/S Ansari Sugar Mills during 2009/10 respectively. Moreover, in terms of Paras 6 (ii) and 11 of the Procedure for the Acceptance and Disposal of Gifts (25-06-2007), these vehicles had to be deposited in the central pool of Cabinet Division, however, the then President Mr. Asif Ali Zardari was allowed to retain the vehicles at a nominal cost of 15 % of assessed value on a special relaxation given by the then Prime Minister of Pakistan (Ref. ANNEX-40 for Summary approved by the Prime Minister).

146. The vehicles were registered by Islamabad Excise and Taxation Office vide Cabinet Division's certificate No. 9/2/2009/TK dated 06-06-2009 (Ref. ANNEX-41 for copy of certificate), without providing any Goods Declaration (GD) / import documents. The GD could not be issued because of outstanding import duty.

147. The details of these vehicles presently in the use of Mr. Asif Ali Zardari is as under: -

S	Registration No	Owner	Chassis No.	Vehicle Type
1	PF – 442	Mr. Asif	WBAHP81080DC73255	BMW 760 Bullet
2	PH – 442	Ali	WBAGP81080DA64173	Proof
3	NA – 442	Zardari	JT1HT00W374024887	Lexus 570 Bullet Proof

[The complete details and evidence pertaining to this section, are contained in the report 'FINAL INVESTIGATION REPORT NO. 17-A' titled "Gifted Vehicles from UAE & Libya as President".]

NAB CASE No.5: Payment of duty through fake accounts for Vehicles of Mr. Asif Ali Zardari (Tosha Khana Vehicles)

148. The above evidence shows that Mr. Asif Ali Zardari, while he was President of Pakistan, used laundered proceeds of crime from 'Fake Accounts' for payments of import duty of 'Tosha Khana' vehicles registered in his name till date and taking them at only 15 % of the value.

RECOMMENDATION

The matter may be referred to NAB, for a thorough inquiry/ investigation and filing a reference in the Accountability Court for prosecuting all those who were involved and recovery of proceeds of crime.

e) Luxury Bullet Proof Vehicles Imported and Registered in the Name of Mr Asif Ali Zardari – Not Declared in Wealth Statement or Nomination Papers and Payment of Import Duty by a Deceased Person

149. On discovering payment of Rs 37.16 Million from a 'Fake Account' on account of payment of import duty for the vehicles of Mr. Asif Ali Zardari, the JIT probed the transactions vis-à-vis the other vehicles imported by Mr. Asif Ali Zardari.

150. It was found out that, in addition to the above mentioned 'Tosha Khana' vehicles, two (02) other bullet proof Mitsubishi SUVs were imported by the then

President Mr. Asif Ali Zardari (Ref. ANNEX-42 for copy of GD No. IDRY-HC-2927 dated 24-06-2010) from China, which were later registered in his name on 31-01-2011 from Islamabad Excise and Taxation Office. Payments for purchase of these vehicles in China were transferred from UAE to China by Abdul Ghani Ansari – front man of Mr. Asif Ali Zardari (Ref. ANNEX- 43for copy of transaction). It is noteworthy to mention here that the pay order in favour of Collector Customs Islamabad for payment of duty in respect of these vehicles was issued from NBP Avari Towers Branch Karachi on payment of cash amounting to Rs 14.26 Million by one M. Idrees (CNIC No. 42101-6420059-5). The family of M. Idrees was contacted who revealed that M. Idrees had died two years prior to the date of payment, in year 2008 (Ref. ANNEX-44for copy of death certificate and transaction and deposit slip in the name of collector of customs Islamabad).The details of vehicles are as under: -

S	Registration No	Registered Owner	Chassis No.	Vehicle Type
1	ST – 347	Mr. Asif Ali	MMTGRKH80AF000467	Mitsubishi Bullet
2	ST – 348	Zardari	MMTGRKH80AF002252	Proof SUV

151. NOC from the Ministry of Interior is mandatory for the import of Bullet Proof vehicles and they are non-transferable.

152. The Secretary JIT officially summoned (Ref. ANNEX- 45 for copy of letter) the record of these vehicles. The Excise and Taxation Office Islamabad vide its letter dated 11-12-2018 (Ref. ANNEX- 46 for copy of letter) informed that its importer and *Current Owner* is Mr. Asif Ali Zardari s/o Hakim Ali Zardari.

153. The investigation has found out that the above mentioned vehicles have neither been declared by Mr. Asif Ali Zardari in his wealth statement 2011 onwards till date nor they have been declared in the nomination papers filed by Mr. Asif Ali Zardari for the General Elections 2018. (Ref. ANNEX- 39 for copy of nomination papers).

[The complete details and evidence pertaining to this section are contained in the report 'FINAL INVESTIGATION REPORT NO. 17-B' titled "Undeclared Vehicles of Mr Asif Ali Zardari".]

NAB CASE No.6: Payment of duty through fake accounts for imported undeclared Luxury Vehicles of Mr. Asif Ali Zardari

154. The above evidence shows that Mr. Asif Ali Zardari while being President of Pakistan used payments through pay-order from a 'deceased person' (Muhammad Idrees) for payment of import duty of luxury bullet proof vehicles, imported by him and registered in his name till date, without declaration in the wealth statements and Form B Declaration of Assets and Liabilities submitted to Returning Officer for General Elections 2018 (NA-213). ***The misdeclaration of assets by Mr Asif Ali Zardari is established in this case.***

RECOMMENDATION

The matter may be referred to NAB, for a thorough inquiry / investigation and filing a reference in the Accountability Court for prosecuting those who were involved and recovery of proceeds of crime

f) Payment of utility bills of Bilawal House Karachi from Fake Accounts

155. **Rs 1.53 Million** were paid to Karachi water and Sewerage Board from Fake Accounts for water charges of merged plots of Bilawal House Karachi during May 2015 (Ref. ANNEX-47 for details of payments and instruments through which payments are made). [The complete details and evidence pertaining to 'Expenditures and Renovation of Bilawal and Zardari Houses', are contained in the report 'JIT INVESTIGATION REPORT NO. 25 MARKED AS "CONFIDENTIAL".]

g) Expenditure of Bilawal House from Fake Accounts

156. **Rs. 4.14 Million** was paid out of the Fake Accounts to 'The Deli Restaurant' (Mrs. Tina Mehdi) for catering and event services at Bilawal House, Karachi (Ref. ANNEX-48 for details of payments and instruments).

h) Purchase of Air Tickets by Mr Asif Ali Zardari and Family from Fake Accounts

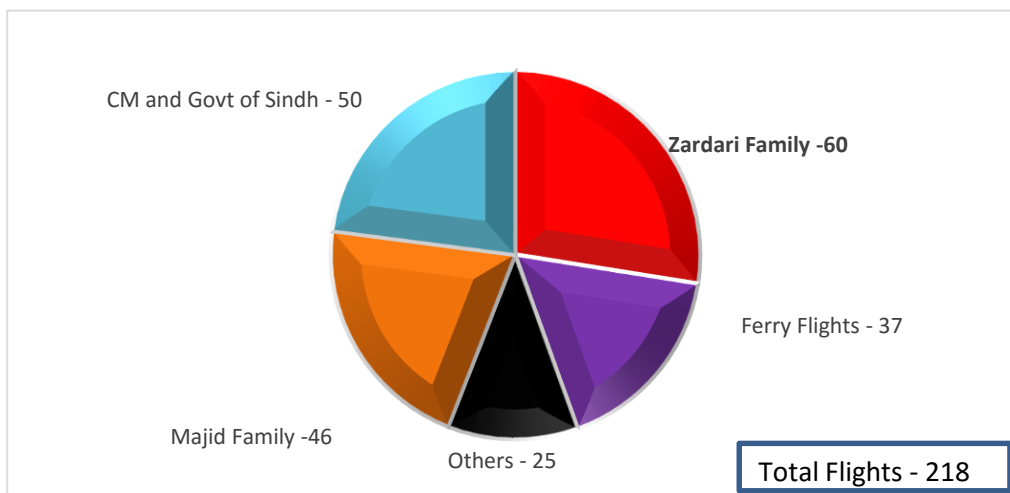
157. **Rs 12.82 Million** from 'Fake Accounts' were routed through M/s Pak Paradise Travels to M/s Fazl-e-Rabbi Travels for purchase of air tickets of Mr Asif Ali Zardari and Family (Ref. ANNEX-49 for details of payments and list of tickets for which payments were made). The JIT has found evidence that in addition to Mr Asif Ali Zardari, Bilawal Zardari, Ms Asifa Zardari, Mirza Arshad Baig, Ms Sharmila Farooqi and Haji Haroon (H & H Money Exchange Co used for international money-laundering in instant case) also utilized the tickets purchased through 'Fake Accounts'.

i) Purchase of Omni Aircraft through Fraudulent Means and Use by Zardari Family and Sindh Government

158. Omni Aviation purchased an aircraft (Hawker 400 XP) from AIRON AIR, Denmark ApS (under Bankruptcy) on 21-12- 2012 for **USD 2.55 Million** against a loan of Summit Bank Pledging Plot No G-2, Block 2, Scheme 5, Clifton, Karachi ("G-2 Land") owned by M/s Regent Services Pvt. Ltd (Omni Group Company). It is pertinent to mention that the same property G2 was already purchased by Summit Bank in 2012 (@ Rs 20 Million as already discussed earlier) for its Headquarter. Sindh Bank paid another Rs. 324 Million for purchase of aircraft. Subsequently, the mortgaged was released and the aircraft itself was mortgaged. In a nutshell, Omni Aviation purchased the aircraft without paying a single penny.

159. The same Omni Aircraft (Hawker 400 XP bearing registration no AP-KNM) has been prolifically used by the Zardari Family, CM / Government of Sindh and PPPP politicians from 2013 to 2018, gratis, for domestic and international travels (Ref. [ANNEX-50](#) for trips details). It is intriguing that so called business group which was granted unprecedented favors for growth of its wealth was offering its aircraft on gratis basis to high level political figures and public officials. Summary of use of Omni Aircraft (based on Civil Aviation Authority Passenger Manifest Data) is as below: -

160. The Omni Aviation, which is registered as a commercial aviation service



never, invoiced the Zardari family, Sindh Government or any PPPP politician for their travels. The JIT has discovered that payments to the tune of Rs. 1.37 Billion for operation of the above aviation services from 2013 to 2018 were foot by various Fake entities and subsidiaries of Omni Group through 290 transactions (examined by the JIT).

j) Payments to Princely Jet for Helicopter-Trips of Mr Asif Ali Zardari from Fake Accounts

161. **Rs 8.96 Million** from Fake Accounts were routed through Omni Aviation to M/S Princely Jet for the payment of private helicopter travel bills of Mr Asif Ali Zardari and his family. Mr Asif Ali Zardari undertook nine (09) chopper trips during April / May 2015 in interior Sindh while payments to M/S Princely Jets were made from Fake Accounts (Ref. ANNEX-51 for payment details).

k) Payments for Bullet Proofing of Truck for PPP from Fake Accounts

162. Pak Armoring Pvt. Ltd. received a payment of **Rs. 14.6 Million** from Fake Accounts during 2015. CEO/Director stated that Dr. Dinshaw Ankleseria (son of Dinshaw, is also director of this company) gave contract of renovation of Bomb Proof Container of Bilawal Bhutto Zardari and bullet proofing of 4 other vehicles (Ref. ANNEX-52 for payment details for the purpose of bomb proofing of the truck).

l) Transactions with Fake Accounts by Zardari Group

163. During 2011 to 2014, M/s Zardari Group Pvt. Ltd remained involved in making transactions with the Fake Accounts. A deposit of **Rs. 145 Million** and a withdrawal of **Rs. 148 Million** have been found to be linked directly with the 'Fake Accounts'. The accounts of Zardari Group are operated by Mrs. Faryal Talpur (Director) on behalf of the company. Hence, she has been found personally liable for laundering the proceeds of crime.

m) Undeclared International Assets of Mr Asif Ali Zardari – Concealed in Form B Declaration of Assets and Liabilities for General Elections 2018

Residential Condo, Manhattan, New York City (NYC) USA

164. As per the evidence (Ref. ANNEX-53 for copy of official property record of the registrar of the City of New York, retrieved 'online') available with the investigation team, Mr Asif Ali Zardari owns a residential condo situated at Unit 37 F, 524 East, 72nd Street, Block 1483, Manhattan, NY 10021. Ms Marry Ann was granted revocable power of attorney on 07-06-2007 by Mr Asif Ali Zardari to purchase and manage this property. The property was purchased on 20-06-2007 for USD 5,30,000.

Penthouse 23 Marina, Masa, Dubai, UAE

165. Mr Asif Ali Zardari, submitted revised wealth statements on 05-01-2018, for the Tax years 2014 to 2016 (Ref. ANNEX-54 for copy of revised wealth statements) wherein he suddenly declared the above mentioned property as gift received four years ago (2014). This was the time when the august Supreme Court of Pakistan had taken *Suo moto* notice of the undeclared foreign assets of Pakistanis. The declaration by Mr Asif Ali Zardari appears to be an after-thought due to changed circumstances. In the above mentioned revised wealth statement, Penthouse No. 8401, 23-Marina, Dubai was declared as having been received as a *gift*, in the tax year 2014, with a value of **AED 11.96 Million** (equivalent to **Rs 320 Million**). However, in the same revised wealth statement submitted on 05-01-2018, he declared the same property as gifted onwards to someone else in the tax year 2016 (**recipient not mentioned**). Mr Asif Ali Zardari, when questioned regarding this foreign property which remained undisclosed till January 2018, told the JIT that he might have gifted the same to his daughter. However, despite written request, *he did not furnish any documentary evidence* pertaining to the title or transfers of the property but replied in writing on 03-12-2018 that "*document not readily available*". It is pertinent to point out a revelation closely associated to this property. Abdul Ghani Majid in his wealth statement of tax year 2014 (filed in tax year 2014) has declared granting a gift amounting to **Rs 329 Million** (Ref. ANNEX-55 for copy of wealth statement) and did not mention the recipient. The JIT has recovered a typed memo (Ref. ANNEX-56 for copy of memo) from the residence of Nazli Majid which reads as under: -

"Property	Unit 8401 in 23 Marina, Dubai Marina
Area	5644.86 Sq. Ft. (524.42 Sq. Meter)
Municipality No.	392-568 (Plot No.163, Marsa Dubai)
DEWA No.	392-28523-1
Purchase Price	AED 11,500,000.00
Date of Transfer	2-Mar-14

Detail of Payments			
Date	Mode of Payment	Description	Amount AED
12-Jan-14	Manager's Cheque No. 553354 of CBD (From AZ)	Down payment 10 % of SP 11.5 M	1,150,000.00
1-Mar-14	Manager's Cheque No. 538231 of CBD (From AZ)	Final payment 90 % of SP 11.5 M	10,350,000.00
1-Mar-14	Manager's Cheque No. 538232 of CBD (From AZ)	Land Department Registration Fee	460,540.00
2-Mar-14	Cash	Land Department	4000.00

		Registration Trustee	
2-Mar-14	Cash	Real estate agent's commission 1 % of SP	115,000.00
Cost per Sq Ft	AED 2140	Total cost in AED	12,079,540.00
Cost per Sq Ft	USD 582.29	Total cost in USD	3,286,949.66"

166. The JIT is of the opinion that the submission of revised wealth statements for the years 2014 to 2016, on 05-01-2018, was an *after-thought*, which indicates intent to escape the answerability before this august Forum in the suo moto regarding undeclared foreign assets of Pakistanis. Mr. Asif Ali Zardari is still trying to conceal the title / ownership of his foreign asset and also trying to mask the manner and source of acquisition of this foreign asset.

Mandatory declaration of assets by the Public Office Holder – Concealment of New York properties by Mr Asif Ali Zardari

167. The above foreign property has not been declared by Mr. Asif Ali Zardari in Form B – Declaration of Assets and Liabilities during General Election 2018. Mr. Asif Ali Zardari, being a public office holder, is liable to declare all his assets, entrusted to attorney or otherwise and also declare the lawful source of income including the mode of acquisition and disposal, title deeds and conveyance deeds in respect of these properties, as has been held by the august Supreme Court of Pakistan, in suo moto no. 2/2018.

n) Renovation of Majid Family Residence from Fake Accounts

168. **Rs 11.12 Million** were paid from 'Fake Accounts' for renovation and uplift of House of Anver Majid's Family (registered in the name of Nazli Majid). It is also pertinent to mention here that renovation of a clothing store/boutique namely "Menahil & Mehreen" owned by Menahil Majid w/o Abdul Ghani Majid was also executed from Fake Accounts.

o) Payment to Advocate Asim Mansoor Khan from laundered proceeds of 'Fake Accounts'

169. Payments of **Rs 2.3 Million** were made from 'Fake Accounts' to Advocates Asim Mansoor Khan (brother of incumbent learned Attorney General for Pakistan) and Mr. K. A. Wahab for the case of M/s Pangrio Sugar Mills Ltd. (Ref. ANNEX-57 for payment details).

p) Purchase of Plot 130, DHA Phase VIII and Plot CF-111 Kulsoom Kot Clifton by Majid Family from 'Fake Accounts'

170. The plot no 130, DHA Phase VIII was sold by one Asif Minhaj. He took the plea that this property was purchased by Menahil Majid and Rs. 41.2Million was paid from Fake Accounts (Ref. ANNEX-58for payment details). Also another Rs 1 Million was paid as commission charges to a commission agent Roman Anthony from Fake Accounts. Clearance of miscellaneous dues into the account of DHA to the tune of Rs 1.78 Million was also paid through Fake accounts.

171. An amount of Rs. **58 Million** was paid from Fake Accounts to Mr. Muhammad Siddique for the purchase of Plot No. CF 111 Qamar/Kulsoom Kot, Clifton Karachi on the name of Mr. Khawaja Nimr Majid s/o Anver Majid. Thus in total **Rs 101.98Million** were paid for the personal benefit of Majid Family from Fake Accounts.

Referral to FIA for thorough investigation and filing case under the provisions of Anti-Money Laundering Act

172. Pursuant to the above findings Mr. Asif Ali Zardari and Mrs. Faryal Talpur have been found involved in using laundered proceeds of crime from 'Fake Accounts'. A thorough investigation in case FIR 4/2018, SBC, FIA, Karachi, by FIA is mandated.

7. HYPER GROWTH OF BAHRIA TOWN SOUTH, WITH THE COLLUSION OF SINDH GOVERNMENT AND THE KICKBACKS RECEIVED BY MR. ASIF ALI ZARDARI AND MRS. FARYAL TALPUR THROUGH 'FAKE ACCOUNTS'

173. Bahria Town Pvt Ltd. remained the main source of deposits (**Rs 10.02 Billion**) credited into 'Fake Accounts' (A-One International, Dream Trading, Ibrahim Linkers, Iqbal Metals, Logistic Trading, Ocean Enterprises and Umair Associates). Malik Riaz Hussain, *personally transferred* an amount of Rs 45 Million into the account of M/s Lucky International (Fake Entity) in Summit Bank on 08-10-2011. On detecting these huge deposits into 'Fake Accounts' by Bahria Town, the JIT probed into the affairs of Bahria Town (South) and its projects in Karachi.

174. It was found that Bahria Town's declared assets aggregate to Rs 330 Billion as of 2017. Rs 176 Billion is shown in books as advance by Bahria Town for purchase of various lands (mostly unidentified). The *illegitimate growth* of Bahria Town South and

its projects in Karachi mentioned below reveal the reasons for **crediting the 'Fake Accounts' to the tune of Rs 10.02 Billion.**

a) Bahria Town Karachi – The illegal exchange / consolidation of State Land by Government of Sindh and capture of thousands of acres of Private Land

175. The Government of Sindh (Revenue Department and Malir Development Authority) has been found complicit in misusing its authority in handing over possession of **7220 acres un-allotted State land**, between Jan 2014 to Dec 2015, situated on main super highway to Bahria Town through five (05) of their employees / relatives of CEO (Malik Riaz). The demarcation report of Survey of Pakistan dated 20-07-2016 revealed that Bahria Town has taken *illegal possession* of adjoining private and State land and total area under its possession is **12156 acres**. Report by GIS section, Board of Revenue Sindh says that **11297 acres** of land under the possession of Bahria Town is un-allotted State land amounting to **Rs 27 Billion** (as per 2015 notified rates).

176. Bahria Town had collected Rs 215 Billion from general public against selling of plots / development charges in the above mentioned project as of Sep 2017. A ground check conducted by NAB team in Oct 2017 revealed that the area under possession of Bahria Town project is far beyond 12156 acres (Ref. ANNEX-59 for copy of NAB report). The matter is presently under investigation by NAB Karachi. The JIT is of the opinion that grabbing of State and private land on such a massive scale, by Bahria Town (Malik Riaz) in collusion with the Government of Sindh, could not have been possible without the patronage of the top political leadership controlling the Sindh Government and their personal stakes.

177. Deposit of Rs 10.02 Billion by Bahria Town into 'Fake Accounts' coupled with the interviews of relevant persons revealing that Bahria Town Pvt Ltd. had entered into various Joint Venture (JV) Agreements on mega real estate projects with Zardari Group (JV Opal 225 Project, Saddar, Karachi) and a third party (Bahria ICON Twin Tower Project, Clifton, Karachi), triggered the JIT to probe into these projects and ultimately led to the identification that how 'artificial' JV instruments and 'artificial' real estate gains were used to showcase 'kickbacks' as ostensibly legitimate gains.

b) JV OPAL 225 – A JV signed in 2011 by Mrs Faryal Talpur (Zardari Group) and Malik Riaz (Bahria Town) – The kickbacks Project which earned all declared domestic assets for Zardari Group (2011-2014)

178. During the course of investigation, it transpired that payment amounting to Rs 800 Million was deposited from Opal JV 225 bank account into two (02) 'Fake Accounts' (M/s Dream Trading and M/s Ocean Enterprises) in the month of May / June 2013. On this the JIT probed into the affairs of the Opal 225 project. The Opal 225 (referred in tax record as Opal 25 (JV)) is a joint investment of Zardari Group (Private) Ltd. and Bahria Town (Pvt.) Ltd. initiated on 15 October 2011. The project is being undertaken on Plot no 225, E1 Lines, Karachi Cantonment situated at Raja Ghazanfar Ali Khan Road, Saddar Karachi. The said plot is property of Zardari Group (Pvt.) Ltd. and the value was reported on 30 June 2010 as Rs. 1.72 M (Ref. ANNEX-60 for the Financial Accounts of Zardari Group as of 30-06-2010). However, the property was converted into commercial and the value was revised upwards the next year, in disregard to the generally accepted valuation methods, to Rs 3407 M (1980 times) on 30 June 2011 before it was committed to Joint Venture (JV) Opal 225 during year ended on 30 June 2012. The classical *modus operandi* of integration (final step) of money-laundering is that 'fake' real estate gains are created through 'artificial' conveyance deeds or agreements. This method is glaringly obvious in this shady JV as the property was hyper-valued to start with, then money was taken out and in lieu of that the share of investment was revised downwards.

179. The JIT found out that as per JV agreement para 3 (iii) Zardari Group (Private) Ltd. received a sum of Rs. 500 Million (March-May 2011), for no plausible reason from Bahria Town (Private) Ltd. and scaled down the share of its investment in JV to **Rs 2.8 Billion**. During tax year 2014, when JV Opal 225 filed its tax returns and final accounts for the first time, the share of investment of Zardari Group (Pvt.) Ltd. in the JV was *further scaled down* to **Rs 2.1 Billion**. The reason of this scale down reflected in the statement of final accounts was shown as drawings from the capital by Zardari Group (Pvt.) Ltd. amounting to **Rs 1.22 Billion** (including the earlier withdrawal of Rs 562 M) against its own investment. However, JV Opal 225 in its statement (through Rao and Co, Tax Consultancy) to DCIR (Audit) LTU – 2 Karachi dated 8-11-2018 regarding JV Opal 225, admitted in Para 2(ii) that "*Bahria Town has paid **Rs 4.54 Billion** as capital out of which Rs 1.22 Billion (Ref. ANNEX-61 for transaction details by Bahria Town to Zardari Group) was paid to Zardari Group Pvt Ltd as drawings*".

180. The aforementioned divergent positions taken vis-à-vis the receipt of money by Zardari Group from JV Opal 225 / Bahria Town corroborates that the JV was merely an instrument to receive 'kickbacks' in a laundered shape. Hence, an amount of Rs 1.22 Billion was shown as receipts from Bahria Town Pvt. Ltd., which as per JV agreement was neither due nor receivable by Zardari Group from Bahria Town. Para 11 of the JV specifically stipulated that this investment will be returned from the amounts realized from "*booking for sale of shops, offices, flats and any part of the building project on the said property*". In 2011-2013, the project did not generate requisite revenues. Moreover, even as per the JV arrangement, it was a JV project which had to pay and Bahria Group as a business entity was not obliged to any such payment to Zardari Group Pvt. Ltd. The drawings from M/s Bahria Pvt. Ltd. (laundered kickbacks) are the only explainable source of income available with Zardari Group Pvt. Ltd. to *justify the acquisition* of major assets from 2011 to 2014 (discussed in succeeding section below).

181. The analysis of JV Opal 225 accounts further revealed that another amount of **Rs 3.1 Billion** has been advanced against land. It is pertinent to mention that only land committed for this JV is plot no 225 E1 Lines, Raja Ghazanfar Ali Khan road Saddar Karachi Cantonment owned by Zardari Group Pvt. Ltd. which had already invested the same plot at the value of Rs 3.4 Billion in the JV Opal 225. Again, this advance against land to the tune of Rs 3.1 Billion which was not due to be paid to anyone, seems to be *another amount paid to Zardari Group Pvt. Ltd.* in addition to the already paid Rs 1.22 Billion. Hence, a land valued at Rs 1.72 M generated at least Rs 4.3 Billion within a couple of years, *without the need of any dividends from the project*, which could have accrued only through the construction and sale of the project (flats, shops and offices etc) in the market. It is the same time frame in which M/s Bahria Town started its real-estate mega projects in Karachi and had started getting favors from Government of Sindh in the shape of illegal allotment of State Land.

Laundered 'kickbacks 'from JV Opal 225 – Received by Mrs. Faryal Talpur (2011- 2014) as authorized signatory of Zardari Group

182. In order to ascertain the receipt of Rs 1.22 Billion, on account of drawings, two (02) bank accounts of Zardari Group, maintained in Summit Bank Dolmen City

Branch, were scrutinized (2011-2014) which revealed, inter-alia, following major deposits from Bahria Town and Fake Accounts: -

S	Amount Received (Rs Million)	Depositor
1	500	Marium Rehman and Malik Riaz Hussain
2	210	Malik Riaz Hussain
3	250	Bahria Enclave Islamabad
4	100	Bahria Town Pvt. Ltd.
5	100	Bahria Enclave Islamabad
Sub Total	1.16 Billion	Bahria Group and Malik Riaz Hussain (Sub Total of banking receipts from Bahria by Zardari Group)
6	69	Fake Accounts
7	100	Fake Accounts
8	30	Fake Accounts
Sub Total	199	Banking receipts from Fake Accounts by Zardari Group
9	30	Haji Ali Hussain
10	100	Universal Construction
11	30	Dinshaw Hoshang Ankleseria
12	30	Ghulam Qadir
13	42	Amir Mustafa
14	10	Land Marks
Total	1.601 Billion	

Two (02) bank accounts of Zardari Group, mentioned above in Summit Bank Dolmen City Branch, Karachi were operated by Mrs. Faryal Talpur as Director of Zardari Group. It is noteworthy to mention that the JV which was used to receive the above mentioned kickbacks was also signed by Mrs. Faryal Talpur on behalf of Zardari Group and Malik Riaz Hussain on behalf of Bahria Town. The aforementioned evidence of transactions establishes that these amounts were in fact kickbacks from Bahria Town which were laundered through this JV arrangement and utilized to purchase the declared assets of Zardari Group and family (2011 – 2014) as discussed below.

Laundered 'kickbacks' from JV Opal 225 – admitted utilization (2011-2014) for acquisition of major assets of Zardari Group

183. As regard acquisition of major assets by Zardari Group Pvt. Ltd. no plausible and legitimate business or source of income is available with Zardari Group Pvt. Ltd. Consequently, in its reply to the JIT through Adv Abubakar Zardari (through his response dated 03-12-2018, Ref. ANNEX-24for his response) had to admit gains from

JV Opal 225 as the only source for acquisition of assets (2011-2014) as mentioned below: -

S	Property Name	Cost Rs Million
1	Agriculture land at Tando Allah Yar	74
2	Plot F-4, Block-3, Clifton Karachi	122.82
3	Plot F-5, Block-3, Clifton Karachi	28.24
4	Plot F-3, Block-3, Clifton Karachi	101.25
5	Plot F-1, F-2, F-6 Block-3, Clifton Karachi	349.96
6	Plot F-5/1, Block-3, Clifton Karachi	80.14
Bilawal House Karachi		(682.41)
7	Agriculture land at Chamber Tando Allah Yar	24.58
8	Agriculture land at Deh Nusrat Daur Nawabshah	5.15
9	Bilawal House Lahore*	484.3
10	Plot D-23, Block-3, Clifton Karachi	31.8
11	Plot D-25, Block-3, Clifton Karachi	31.8
12	Plot D-34, Block-3, Clifton Karachi	31.8
TOTAL		1.365 Billion

* Only Rs 170 M has been paid by Zardari Group to Bahria Town and remaining amount is outstanding for last five (05) years.

[The complete details and evidence pertaining to this section are contained in the report 'FINAL INVESTIGATION REPORT NO. 10' titled "JV Opal 225 – Zardari Group and Bahria Town".]

NAB CASE No. 7: JV Opal-225, a Kickbacks Project of Zardari Group

184. The above evidence shows that the JV Opal 225 without conducting any legitimate business paid Rs 1.22 Billion laundered kickbacks to Zardari Group, received through its Director Mrs. Faryal Talpur. The JV was an instrument of fraud to book hyper inflated 'artificial' real-estate gain for the Zardari Group to pay kickbacks in a laundered fashion.

185. The Zardari Group in general and Mr. Asif Ali Zardari in particular, while he was President of Pakistan, has been found to be misusing his authority through the Government of Sindh through illegal allotments of State Land in favour of Bahria Town (please refer paras 173 to 177).

RECOMMENDATION

NAB may be directed to conduct a thorough inquiry/ investigation to recover the kickbacks and probe into the associated illegal allotments of state land to Bahria

Town and file a reference in the Accountability Court. Assets of the Zardari Group, accrued through the above mentioned kickbacks, may be frozen pending the final disposal by the Accountability Court.

c) BAHRIA ICON TOWER – A Manifestation of Land Grabbing, Receipts of Laundered Kickbacks and Holding of 50 % Shares as Kickbacks in the Largest Twin Tower Sky Scrapper of the Country

186. When Zain Malik was questioned by the JIT about the deposit of **Rs 10.02 Billion** into Fake Accounts operated by Omni Group by M/s Bahria Town (South), it came across similar criminalities as witnessed in other dealings / projects like Bahria ICON Towers mentioned below.

187. Bahria ICON, Pakistan's tallest twin- tower 102 storey (62 plus 40) project, under-construction on land of M/s Galaxy Construction Pvt.Ltd. (Dr.Dinshaw) and precious Bagh Ibn-e-Qasim land is one such discovery where simultaneous land grabbing and money-laundering became very evident as discussed below.

Illegal and Fraudulent award of Prime Urban Bagh Ibn-e-Qasim Land, Clifton for ICON Twin Tower Project – Role of Government of Sindh

188. Bahria ICON is being constructed on plots no C 5 & 6 (9436 square yards) Clifton quarter (adjacent to Bagh Ibn-e-Qasim) Karachi. These plots belonged to one Saleem Akhtar (M/s Galaxy Construction Pvt.Ltd.), a frontman of Mr. Asif Ali Zardari and remained frozen under section 6 Ehtisab Act from 1998 to 2008. Saleem Akhtar left the country. However, the shareholding of M/s Galaxy Construction Pvt.Ltd. got transferred to Dr. Dinshaw Hoshang Ankleseria. In order to undertake the construction of Bahria ICON Towers, a JV was entered into between M/s Galaxy and M/s Bahria and additional *State Land* was *fraudulently misappropriated* and amalgamated with the plots C 5 & 6 as given below: -

S	Description	Area (Sq. Yards)	Nature / Remarks	Illegality
1	Plot No. 5, CF 1-5, Clifton	6536	Converted into commercial	Transfer of its ownership by M/s Galaxy (from Saleem Akhtar to Dr. Dinshaw through various hands), in violation of the freezing U/S 6 of Ehtisab Act.
2	Plot No.6, CF1-5, Clifton	2900	Residential	
3	Alignment land	1081	Transferred	These two plots, originally

			by KDA to M/s Galaxy	part of Bagh Ibn-e-Qasim were created by KDA and BOR respectively and transferred to M/s Galaxy under the garb of alignment of Plot no 1-A (given below) with plots no C 5 & 6. Hence this precious 3850 square yard state land was dished out to M/s Galaxy by the state authorities, gratis.
4	Alignment land	2769	Transferred by BOR Sindh to M/s Galaxy	
5	Plot No. 1-A	4050	Plot occupied by Yousaf Baloch, located elsewhere, shifted to Bagh Ibn-e-Qasim & transferred by KMC to M/s Galaxy	Pre-partition land revenue maps show a plot (Behind Abdullah Shah Ghazi) in the use of one Hindu for community school. This plot was malafide transferred to Yousaf Baloch through an undated agreement and registered as such. Subsequently, this plot was relocated fraudulently in the revenue maps (corroborated by google satellite imagery) from the above mentioned location to Bagh Ibn-e-Qasim. Yousaf Baloch transferred his plot to M/s Galaxy. Later, Yousaf D Baloch became the senator in the Senate of Pakistan on PPPP ticket.
	Total	17336		

189. Zain Malik, CEO of Bahria ICON Project, admitted before JIT that Dinshaw and Galaxy are *merely paper work* (Ref. ANNEX-62 for his statement). However, Dr. Dinshaw gave three (03) applications to the Chief Minister Sindh for allotment of amenity land adjacent to his C 5 & 6 plots and *all three were honored* as shown above. The total effect of this grabbing of State land in favour of M/s Galaxy, supervised through the administrative control over Board of Revenue Sindh (by Chief Minister Sindh) and other local authorities is that a *gratis award* of **7900 square**

yards (S 3,4 & 5 above) was added to M/s Galaxy Construction out of the land of Bagh Ibn-e-Qasim. The original plots (S1 & 2 above) measuring 9436 square yards swelled to almost double the original size to allow the construction of Bahria ICON Project. Such a blatant land grabbing, in tandem by various authorities of the Government of Sindh including the Chief Minister is not possible unless, the beneficiary is a very influential person whose personal stakes are involved. Government of Sindh did not do it for Dr. Dinshaw Ankleseria whom Bahria ICON's CEO treats as a mere paperwork or dummy.

190. It would be pertinent to make a cross reference to IBSC (Para 125). This property was identified to be held as 'Benami' of Mr Asif Ali Zardari in the name of his then frontman Iqbal Memon in 1998. Iqbal Memon left the country in mysterious circumstances and is presently settled in Canada. However, today, that property has come back to be again held by Mr. Asif Ali Zardari through M/s Park Lane Pvt. Ltd.

191. Similarly, Plots C5 & 6, Clifton, Karachi were identified to be held as 'Benami' of Mr Asif Ali Zardari through M/s Galaxy Construction in the name of his then frontman **Saleem Akhter in 1998 (as per Ehtisab Commission report in Ehtisab Reference No. 26/1998)**. Today, this property has also come back to be again held by Mr. Asif Ali Zardari through M/s Galaxy Construction in the name of his present frontman Dr. Dinshaw Hoshang Ankleseria.

[For complete details and evidence regarding the disappearance of the old set of frontmen in favour of the Omni Group frontmen, are contained in the report 'JIT INVESTIGATION REPORT NO. 25 MARKED AS "CONFIDENTIAL".]

Receipt of Rs 10.02 Billion Kickbacks through 'Fake Accounts' by Mr. Asif Ali Zardari

192. The probe into ICON Tower Project stemmed out of the finding that Zain Malik had deposited Rs 10.02 Billion from accounts of M/s Bahria Town, Zain Malik and one Mushtaq Ahmed s/o Hazaro into various Fake Accounts. Mushtaq Ahmed s/o Hazaro is a *personal confidante* of Mr. Asif Ali Zardari (dealt separately in section titled Mushtaq Ahmed below).

193. Out of this Rs 10.02 Billion transferred by Bahria Town into Fake Accounts, **Rs 8.3 Billion** was transacted through a joint account of Zain Malik with Mushtaq Ahmed. This deposit of Rs 8.3 Billion was made through 147 transactions during 2014/15. It is pertinent to mention here that Rs 3.92 Billion (of Rs 8.3 Billion) was routed through 'Fake Accounts' and the remaining was withdrawn in cash. The amount routed through 'Fake Accounts' was also withdrawn in cash. For example, Rs 1.9 Billion was withdrawn in cash from joint account through eleven (11) bearer cheques encashed from 28-04-2014 to 09-06-2015. Investigations found out that these cheques were encashed by affixing fake signatures of Tariq Sultan (A-One International) on the backside of the cheques, disrupting the money trail. Another amount of Rs 1.25 Billion was transferred from this joint account into the 'Fake Account' of A-One International in Sindh Bank. Some of this amount was utilized for (laundered) equity injection in Summit Bank through Nasser Abdullah Loath (Rs 517 Million) and *purchase of foreign currency* (Rs 159 Million) while other was utilized in cash.

194. When confronted with the deposits into Fake Accounts, Zain Malik gave an explanation that these deposits were made into the (Fake) accounts for Omni Group (verbal understanding) for purchasing high value land at Clifton Karachi. It is pertinent to mention here that Omni Group was neither a real estate provider nor it owned any prime lands at Clifton Karachi. The lame plea seems to be put forth to justify the payments into 'Fake Accounts'.

Receipt of Rs 10.02 Billion Kickbacks – Flawed Stance of Zain Malik

195. When confronted that Omni Group owned no prime lands for sale, Zain Malik tried to retract by saying that when he could not secure prime land from Omni Group, he tried to secure his Rs 10.02 Billion by obtaining 50 % shares of M/s Galaxy Construction Pvt. Ltd. In support of this (lame) plea, he presented a *transfer deed* which was undated, on a plain paper and not witnessed by anyone verifiable (Ref. ANNEX-63 for copy of plain paper transfer deed). Additionally, he presented a plain paper *certificate* in favour of the same plea (Ref. ANNEX-64 for copy of plain paper certificate). It is important to point out here that

- Omni Group owned no prime lands for sale in Clifton

- The sale deed and certificate presented were mere non papers, not registered anywhere and of no consequential effect
- The huge payment of Rs 10.02 Billion even if made to Omni Group cannot be secured through taking 50 % shares (worth less than Rs 1 Billion) from a totally unrelated entity – M/s Galaxy Construction (Dr. Dinshaw Ankleseria)

Receipt of Rs 10.02 Billion Kickbacks – Evidence of Laundering of Kickbacks

196. The papers arranged by Zain Malik (mentioned above) and other related evidence substantiate the following: -

- One, that the transfer of amount of Rs 10.02 Billion (2014/15) by Bahria Town to Fake Accounts has been done without any lawful consideration (non-bonafide transfer)
- As has been discussed above, Bahria Town was recipient of huge acreage of State Land for Bahria Town Karachi and was occupying huge tracts of adjacent private land with the connivance of Government of Sindh. Hence, the Rs 10.02 Billion was a kickback, Rs 8.3 Billion of which was paid by Bahria through a joint account with Mushtaq Ahmed (confidante of Mr. Asif Ali Zardari)
- Moreover, Bahria Town has so far invested Rs 27 Billion on the project. (Ref. ANNEX-62for Zain Malik statement).50 % of this project is held through M/s Galaxy Construction by Dr. Dinshaw Ankleseria (Frontman). The profile of the individual indicates that Dinshaw and Galaxy are merely paper work in this mega real estate project – the largest Twin towers skyscraper project of Pakistan

Receipt of Rs 10.02 Billion Kickbacks – Role of Mushtaq Ahmed s/o Hazaro (Frontman of Mr. Asif Ali Zardari)

197. Zain Malik also tried to shy away from the identification of the co-signatory of his joint account i.e. Mushtaq Ahmed – APS to Mr. Asif Ali Zardari. The only explanation he gave when asked to identify his relationship with his joint account holder was that he (Zain Malik) signed the cheque books and handed them over to Abdul Ghani Majid,so Mushtaq Ahmed could be a representative of Omni Group.

The handwriting in these cheques is that of Mushtaq Ahmed, so Zain Malik is partly correct – the cheques ultimately landed with Mushtaq Ahmed who wrote all the cheques. Mushtaq Ahmed is such an important person in this nexus that it is not possible that co-signatory of transactions amounting to Rs 8.3 Billion would be someone totally stranger to Zain Malik.

198. As mentioned earlier, one Mushtaq Ahmed held a joint account No. 1-2-15-20311-714-181041 with Zain Malik at Summit Bank, Dolmen Mall Branch, and Karachi. This joint account deposited Rs 8.3 Billion into three (03) fake accounts (A – One, Lucky and Umair Associates) through 147 transactions from Feb –2014toMay – 2015, shortly after the ICON Towers Project rolled out (SBCA had approved building plan of the ICON Towers Project in Oct 2013). The JIT worked very diligently to establish the identity of this Mushtaq Ahmed. It was found that Mushtaq Ahmed was appointed as a stenographer in the Presidency on 11-03-2009(Ref. ANNEX-65for his appointment at Presidency), on contract basis, renewed from time to time. He was later upgraded as APS to President. He bears the address house no 8, street 19 F-8/2 Islamabad (Zardari House) on his CNIC no 43303-5154754-1. This APS was such a *close confidante* that he had accompanied the then President Mr. Asif Ali Zardari, on almost every State or Private international travels (Ref. ANNEX-66 for travel record of Mr. Asif Ali Zardari and Mushtaq Ahmed), from 2008 to 2013.This close relationship came to public knowledge when he was found conducting the protocol during departure of Ms. Ayan Ali to Dubai from Islamabad International Airport on 14-03-2015, on the date she was arrested for currency smuggling(Ref. ANNEX-67for international trips of Ms. Ayan Ali).

199. A few days later on 19-03-2015, this Mushtaq Ahmed was offered appointment as Private Secretary (BS-18) to the ex-President Mr. Asif Ali Zardari (Ref. ANNEX-68for the post offered to Mushtaq Ahmed as Private Secretary to ex-President) on directions of Mr. Asif Ali Zardari conveyed by Ms. Rukhsana Bangash (political secretary to ex-President).However, on 03-04-2015, Mushtaq Ahmed fled from the country and is absconding ever since. This shows that Mushtaq Ahmed was a pawn of Mr. Asif Ali Zardari who was receiving the kickbacks through joint account with Zain Malik on behalf of ex-President Mr. Asif Ali Zardari.

200. It is pertinent to mention here that it was such a significant account that the funds in this joint account were monitored personally by Hussain Lowai (President

Summit Bank). It is evident from the email of one Farhana Jaffery (Summit Bank, farhana.jaffery@summitbank.com.pk) dated 06-10-2015 to President Summit Bank with the Subject “*Date wise credit amounts (Rs 8.3 Billion) in the account of Zain Malik / Mushtaq Ahmed*”. This shows clearly that kickbacks into these accounts were being closely monitored from the top.

201. When Mr. Asif Ali Zardari was sent the questionnaire by the JIT, which *inter-alia* asked him about Mushtaq Ahmed s/o Hazaro, he replied in writing (10-10-2018) that he had “*no acquaintance*” with the said person. It is incomprehensible that why Mr. Asif Ali Zardari totally disowned acquaintance with one of his closest confidante. Total ignorance about Mushtaq Ahmed was also expressed by Zain Malik despite the fact that he transacted huge amount of Rs 8.3 Billion through him. However, during the interview on 28-11-2018 before JIT, Mr. Asif Ali Zardari admitted that Mushtaq Ahmed had been his physiotherapist. As per held records Mushtaq Ahmed is not a qualified physiotherapist.

The Summing Up of ICON Twin Tower Project

202. The above mentioned evidence revealed during the investigation of Bahria ICON (Twin Towers) project, clearly shows that Dr. Dinshaw Ankleseria and Mushtaq Ahmed are mere frontmen of Mr. Asif Ali Zardari. It is Mr. Asif Ali Zardari who has been the *beneficial recipient* of kickbacks from Bahria Town into ‘Fake Accounts’ amounting to Rs. 10.02 Billion against the total institutional collusion of Government departments in Sindh in favour of Bahria to build a real estate empire in Karachi. This also establishes that apart from Omni Group, Mr. Asif Ali Zardari was also the ultimate hidden beneficiary of the ‘Fake Accounts’ in real terms. It also becomes clear that why the ‘Fake Accounts’ were being operated through Summit and Sindh Banks and why the address of the most of the ‘Fake Entities’ and accounts was IBSC (a property owned by M/s Park Lane of Mr. Asif Ali Zardari).

[The complete details and evidence pertaining to this section are contained in the report ‘FINAL INVESTIGATION REPORT NO. 15’ titled “Bahria Icon Tower”.]

NAB CASE No. 8: Bahria ICON – Kickbacks Project of Mr. Asif Ali Zardari

203. The above evidence clearly shows that Mr. Asif Ali Zardari through his frontmen Mushtaq Ahmed (APS to President) and Dr Dinshaw Ankleseria has been

found involved in receiving 'huge kickbacks (Rs 10.02 Billion)' through the 'Fake Accounts' and joint account operated by his APS. Additionally, he has been found to be holding 50 % shares (worth estimated Rs 30 Billion) in 'Bahria ICON Project' through his frontman Dinshaw. Moreover, he has been found for misusing his authority indirectly, through Government of Sindh for causing a huge misappropriation of Prime Urban state land.

RECOMMENDATION

NAB may be directed to conduct a thorough inquiry/ investigation, recover the kickback amount and precious State Land or its present market value.

Order for 'freezing' of the third party sales of Bahria ICON Twin Tower Project may be granted

204. The above findings clearly show that the above project has been raised illegally on the State land of Bagh Ibn-e-Qasim, Clifton, Karachi. Moreover, 50 % shares of the project are held as kickbacks by Mr. Asif Ali Zardari – a public office holder (through his front man) and are liable to be attached by the State and ultimately auctioned to recover the proceeds of corruption. The project is close to completion. If the offices, shops and apartments are purchased by the public, the attachment to recover the proceeds of crime will become complicated. In view of this, it is submitted that the third party sale of this project or any part thereof be frozen and made subordinate to the final decision of the reference on the subject.

8. AGRICULTURAL EMPIRE OF INTERIOR SINDH

205. During the investigation of Bahia's deposits into 'Fake Accounts', the JIT investigated the JV Opal 225 project and found it to be a kickback project for Zardari Group (Rs 1.16 Billion remitted into the account operated by Mrs. Faryal Talpur, 2011-2014) as has already been mentioned. The amount accruing from these kickbacks were utilized for purchasing the following declared agricultural empire (2011-2014) of Zardari Group in interior Sindh:

S	Property Name	Cost of Acquisition Rs Million
1	Agriculture land at Tando Allah Yar	74
2	Agriculture land at Chamber Tando Allah Yar	24.58
3	Agriculture land at Deh Nusrat Daur Nawabshah	5.15
TOTAL		103 Million

206. On this the JIT, started probe into the agricultural assets of Zardari Group and its directors (including Mrs. Faryal Talpur) in interior Sindh. Information was made available to the JIT, that huge tracts of forest land has been leased and held by the Zardari Group. Additionally, hundreds of acres of Kasha Area and "Harris" lands have been forcibly acquired at low costs. However, due to the non-cooperation by the Government of Sindh, and the local Revenue Authorities in Sindh coupled with the paucity of time, the titles and survey of lands under the declared or undeclared ownership / occupation of the Zardari Family could not be ascertained.

i. Interior Sindh Lands held in the name of Mrs. Faryal Talpur (MPA) – Not Declared in Form B Statements of Assets and Liabilities Submitted for General Elections 2018

207. A cross-sectional examination of some of the revenue record made available to the JIT reveals that the following real estate in Interior Sindh is not declared by Mrs. Faryal Talpur as personal assets or assets in the name of dependants or in the name of any business, in Form B (Statement of Assets and Liabilities) for General Elections 2018 (Ref. ANNEX-69 for copy of Form B).

S	Deh, Taluka and District	Scan & Entry No.	Status	Remarks
1	100 Nusrat, Daur, Shaheed Benazir Abad	1000596 (11)	Purchased	477 acres' land, estimated value Rs 716 Million, was purchased from one Qazi Aftab Ahmed s/o

				Muhammad Ilyas on 21-10-2011.
2	Shadiagham, Rattodero, Larkana	858131 (168)	Purchased	Purchased form one Ghulam Qadir s/o Nazar Muhammad Laghari on 29-12-2017
3	Shahdadkot, Kamber- Shahdadkot	768681 (26)	Purchased	Seven (07) acres, Purchased form one Tariq and Amin s/o Bux Khan Khuhawar on 17-03-2017
4	Shahdadkot, Kamber- Shahdadkot	768680 (25)	Purchased	Three (03) acres, Purchased from one Liaquat Ali alias Feroz Khan s/o Mumtaz Ali Khan Khuhawar on 17-03-2017
5	89 Nusrat, Nawabshah, Shaheed Benazir Abad	659435 (110)	Gift Deed	14 acres Land was transferred in the name of Ms Tania d/o Ms Faryal Talpur

(Ref. ANNEX-70 to 73 for copies of Deh Form 7 – Record of Rights in the name of Mrs. Faryal Talpur)

208. [For information pertaining to ‘Agricultural Empire of Interior Sindh’, are contained in the report ‘JIT INVESTIGATION REPORT NO. 25 MARKED AS “CONFIDENTIAL”’.]

NAB CASE No. 9: ‘Undeclared Assets’ of Mrs. Faryal Talpur

209. The above evidence clearly shows that Mrs. Faryal Talpur has been found involved in receiving kickbacks in her account operated as Director Zardari Group (please refer Para 182) for the purchase of lands in her name and also as director of Zardari Group. It is submitted that august Supreme Court of Pakistan may direct the NAB to take cognizance. ***The misdeclaration of assets by Mrs Faryal Talpur is established.***

9. ABNORMAL GROWTH OF OMNI – DIRECT PATRONAGE BY THE PRESIDENCY (2009-2013) AND GOVERNMENT OF SINDH (2008 – TILL DATE): OMNI – AMERE FRONT OF MR. ASIF ALI ZARDARI

210. The evidence discussed so far clearly establishes that Omni Group had been growing phenomenally, at the expense of Government controlled banks, defrauding them and raising a huge outstanding loan portfolio with the regulatory failure of institutions like SBP and SECP, which were at times conniving. An organised

web of 'Fake Entities and Accounts' with their business address as IBSC (property of Mr. Asif Ali Zardari through M/s Park Lane) was operating in an orchestrated manner, without raising any STRs despite Billions of Rupees of deposits and withdrawals in cash. A bank specializing in money-laundering was created (Summit Bank) and allowed to illegally take over other smaller banks.

211. Mr. Asif Ali Zardari was receiving huge kickbacks (**Rs 10.02 Billion**) through 'Fake Accounts' using his personal confidante like Mushtaq Ahmed (the APS in the Presidency). During the same time, Government of Sindh has been found to be complicit in tailoring huge loans and subsidies for one particular group. Not only that, evidence in the subsequent section reveals that it was conducting in a manner almost subservient to the interests of one particular group and their frontman (Khurshid Jamali).

212. Payments of **Rs 30 Million** were transferred to then President Mr. Asif Ali Zardari, through the official account of then MS to President (Brig Amir) in 2013. Of these payments Rs 15 Million were transferred from Fake Accounts. This amount was withdrawn by one Asif in Presidency for onward utilization by the President. The other amount of Rs 15 Million was transferred from Agro Farms Thatta (company of Omni Group). These transactions show how Mr. Asif Ali Zardari in his capacity as President of Pakistan was receiving payments from 'Fake Accounts' and Omni Group. (Ref. ANNEX-74 for record of two transactions made to MS to President Account).

a) INSTITUTIONAL CAPTURE – ILLEGAL USE OF SINDH BANK FOR IMPRUDENT LOAN TO OMNI GROUP AND ITS FRONT COMPANIES – SUBSEQUENTLY MISAPPROPRIATED

213. Seven (07) out of the thirty-two (32) Fake Accounts were opened in two (02) branches of Sindh Bank and transactions of **Rs 1.6 Billion** were carried through these 'Fake Accounts'. As per the interviews of various bank employees, the operation of these Fake Accounts was in the knowledge of top management. A piece of correspondence between Mrs. Faryal Talpur and Bilal Sheikh (Ref. ANNEX-28 for copy of letter) retrieved by the JIT shows the nexus between NBP, Sindh and Summit Banks on one hand and the controlling influence of Mrs. Faryal Talpur and the then President (Mr. Asif Ali Zardari) on the other. On these alarming disclosures and direct role in operation of the 'Fake Accounts', the JIT probed into the affairs of the Sindh Bank.

214. Sindh bank was incorporated as a Public Ltd. (unlisted company) and was granted banking license by SBP on 02-10-2010 and certificate of incorporation by SECP on 14-10-2010. The Government of Sindh holds 100 % ownership of Sindh Bank.

215. Sindh Bank, whose 100 % proprietary control is with the Government of Sindh through its Finance Department had been involved in disbursing most imprudent loans to Omni Group and its front companies (M/s Rubicon, Alfa Zulu and Seracom Stocks) against the regulations set by the SBP and even beyond its own total equity. In the event of default of Omni Group, not only will the Sindh Bank be totally wiped out with all its equity (**Rs 16.06 Billion**) but the Government of Sindh will have to bear additional default of **Rs 8.87 Billion**.

S	Bank	Total Bank Equity	Prescribed Loan Limit for a single group as per SBP Prudential Regulation 1 (25% of Bank's equity)	Total Loan to Omni	Excess Loan in violation of SBP Regulation
		Rs Billion			
		A	B (25% of A)	C	D (C minus B)
1	Sindh Bank Ltd.	16.06	4.01	24.93	20.91

216. All this purposive imprudent lending was taking place right under the control of Mr. Murad Ali Shah, in his capacity as Finance Minister of Sindh and Bilal Sheikh, President and CEO of Sindh Bank.

217. Rs 3.87 Billion loan has already been classified as “non-performing” (defaulted). The techniques used by Omni Group, like single evaluator, debt property swap, inferior collaterals and creating sub groups within Omni Group to deceive the banks have already been discussed earlier. However, the findings in this section clearly elucidate that Sindh Bank was not merely a victim under political or proprietary influence, but actually conniving in disbursing such loans and subsidies by the Government of Sindh, which were immediately diverted from their state purpose and misappropriated into other venture or laundered abroad.

Bad Loans by Sindh Bank to Alfa Zulu Company and M/s Parthenon etc

218. M/s Alfa Zulu is a front company in the name of an employee of Omni Group (Imran Khan). A total outstanding loan of **Rs 928 Million** (Sindh Bank Rs 804 Million and Summit Bank Rs 124 Million) has been classified as a “Non-Performing” as this

loan was diverted and utilized for loan repayments of Omni sugar mills. These loans were sanctioned against inferior third party collaterals (M/s Plaza Enterprises).

Rs 1 Billion Government of Sindh Funds (Sindh Bank) – Misappropriated and Injected as Equity in Summit Bank – Role of a Front Company Rubicon Developers

219. A project loan of **Rs 1 Billion**, disbursed to M/s Rubicon Builders (Pvt) Ltd. in 2014 by Sindh Bank was diverted and injected into Summit Bank as equity. This misappropriation of Government funds has already been discussed in the Section pertaining to Summit Bank above.

Rs 840 Million Government of Sindh Funds (Sindh Bank) – Misappropriated and Injected as Equity in Summit Bank – Role of Front Companies Seracom and Parkview Stocks

220. Loans amounting to **Rs 700 Million** and **Rs 140 Million** were taken from Sindh Bank by M/s Seracom and M/s Parkview Stocks respectively for the stated purpose of business in shares market in 2016. The very next year the credit officer Syed Nadeem Altaf while rescheduling these loans, wrote an observation in the credit proposal which exposed the blatant manner in which this loan was diverted and misappropriated. A verbatim extract of the observation that incriminates the participants and their mentors, is as under: -

“Two loans of Rs 700 Million and Rs 140 Million were allowed to Seracom Private Ltd. and Parkview Capital respectively to meet the capital requirements of the Summit Bank. The customers and securities were also arranged by Summit Bank. In this context, a meeting was held on 02-05-2016 which was attended by Mr. Hussain Lowai – Director Summit Bank, President Sindh Bank (Mr. Bilal Sheikh) and head of credit Sindh Bank. It was agreed to meet the capital requirement of Summit Bank”.

221. This loan has been defaulted although not classified as of yet.

Rs 300 Million Government of Sindh Funds (Sindh Bank) – Misappropriated – Role of Front Company Paramount Builders

222. A loan amounting to Rs 300 Million was taken from Sindh Bank by M/s Paramount Builders and Developers Pvt Ltd. for investment purposes against an over valued collateral i.e. Plot 87 and 96, Block C, Model Town, Lahore in 2016 (refer Para 89). This loan amount was transferred to one Abdul Jabbar – brother of Younas Kudwai. It is pertinent to reiterate that Younas Kudwai is a front man of Mr. Asif Ali Zardari and his brother Abdul Jabbar had been playing a pivotal role in transfers of proceeds of laundering and misappropriation of state land through a front company M/s Pink Residency (please refer Para 259).

Rs 13.6 Billion including Government of Sindh Funds (Sindh Bank) – Misappropriated Pledged Sugar Stocks

223. Omni Group sugar mills availed loans including cash finance facilities against a pledged sugar stock worth **Rs 13.6 Billion**. However, an onsite inspection (23 to 25-10-2018) revealed that more than Rs 6.3 Billion bags of sugar had been misappropriated causing a loss of Rs 11.48 Billion. The august Supreme Court of Pakistan has already taken cognizance of this misappropriation.

Rs 293.5 Million Government of Sindh Funds (Sindh Bank) – Misappropriation and injected as Fake Equity enhancement into Omni Companies

224. During investigation, the JIT found out that Mr. Anver Majid and family created a fake equity of Rs. **1.598 Billion** and injected it into their eight (08) sugar mills. Loans from Sindh Bank (Rs 293.5 Million) and Summit Bank (Rs 300 Million) which was obtained for the purpose of growers' payments, maintenance of plants and working capital etc was diverted and channelized mainly through Dadu Agro Development Farms Pvt. Ltd, multiple times during Sep 2016. These loans were routed via Omni Group directors (Anver Majid and Family) and Fake Accounts into sugar mills' accounts in a manner that the loan amount was siphoned-off at the end and a Fake equity of Rs 1.598 Billion stood in companies' books of accounts enhancing their credit worthiness for further loans.

225. The JIT detected this criminal breach of trust vis-à-vis loan amounts during Sep 2016 for Fake equity creation. However, the JIT suspects that creation of fake equity to generate huge loans and subsequent default on same is normal *modus operandi* in Omni Group's companies. The JIT recommends that total outstanding loan portfolio of Omni Group amounting to Rs 54 Billion (juxtaposed with their assets /

collaterals) mandates a comprehensive forensic audit by the State Bank of Pakistan auditors.

226. Such was the level of collusion between the Sindh and Summit Banks top management, that a scheme U/s 48 of the Banking Companies Ordinance 1962 was submitted to SBP on 10-11-2017 for merger of Sindh Bank and Summit Bank on a swap ratio of 1:4.17. Competition Commission of Pakistan (CCP) and Sindh Cabinet assented to this merger however, SBP advised President / CEO Sindh Bank to exercise extra caution vis-à-vis the ill-prudent loans extended and losses incurred by Summit Bank. The august Supreme Court of Pakistan has taken suo moto of the proposed merger vide suo-moto No. 7/2018 and directed that any proposed scheme of merger shall be subject to the final order / permission by the court.

NAB CASE No. 10: Rs 24.93 Billion loans by Sindh Bank to Omni Group

227. The above evidence clearly shows the illegal lending of Rs. 24.93 Billion beyond the capacity of Government owned Sindh Bank to a single group and its front companies, misappropriation of huge amounts out of these loans (public money) and misuse of authority by Mr. Murad Ali Shah in his capacity as Finance Minister along with Bilal Sheikh, President and CEO Sindh Bank.

RECOMMENDATION

The matter may be referred to NAB, for a thorough inquiry/ investigation and filing a reference in the Accountability Court for prosecuting those who were involved and recover the misappropriated amounts

[The complete details and evidence pertaining to this section are contained in the report 'FINAL INVESTIGATION REPORT NO. 5 titled "Equity creation in Omni Group Companies / entities through Loans".]

b) INSTITUTIONAL BANK CAPTURE – ILLEGAL USE OF SINDHBANK FOR TAILORED SUBSIDIES TO OMNI GROUP AND ITS FRONT COMPANIES – SUBSEQUENTLY MISAPPROPRIATED

228. The hallmark of Sindh Bank had been that the major portion of the subsidies (**Rs 7 Billion**) doled out to Omni Group were ultimately siphoned-off and misappropriated.

229. The investigations have found out that Sindh Bank has been instrumental in the advancement of 'misappropriated' subsidies advanced in annual tractor schemes (2013-2016) offered by the Government of Sindh and those advanced in the names of farmers and cane growers. Moreover, it advanced illegal subsidies, tailored to benefit Omni Group in operationalization of New Captive Power Plants and in the name of revival of Sick Industrial units.

S	Subsidy Scheme	Amount (Rs Billion)	Estimated Beneficial Share of Omni Group (Rs Billion / %)
1	Annual Subsidized Tractors Schemes	1.99	1.05 (51 %)
2	Subsidy to Cane Growers	3.89	0.84 (22 %)
3	Subsidy to New Captive Power Plants	2.31	1.58 (68 %)
4	Subsidized loans for revival of Sick Industrial Units	3.80	3.72 (97 %)
TOTAL		11.99	7.19 Billion (60 %)

Cane Growers Subsidies by Government of Sindh – Misappropriated

230. On 01-06-2015, the Government of Sindh paid subsidy amounting to Rs. 3.899 Billion to twenty-eight (28) sugar mills for onward payment to bonafide sugar cane growers for the season 2014/15 at the rate of Rs. 12 per 40 Kg. Out of total Rs. 3.899 Billion, subsidies amounting to Rs.63.7 Million and Rs. 138.7 Million were released for cane-growers of Larr Sugar Mills Pvt. Ltd. (LSML) and Tando Allah Yar Sugar Mills Pvt Ltd. (TSML) respectively.

231. In the case of subsidies released to the two above mentioned Omni Group sugar mills, investigation revealed that Rs. 42.3 Million and Rs 27.6 Million were embezzled by LSML and TSML respectively through different fake agri-farms' bank accounts opened in the names of their employees. This money was ultimately transferred to Sajawal Agro Farm Pvt Ltd. (SAFML) – a front company of Omni Group owned by Dawoodi Morkas (employee of Omni Group) and one Irfan Ali.

232. The embezzlement of poor farmers' subsidy to the tune of Rs 70 Million by the two (02) Omni Group sugar mills in connivance with respective banks has been identified by the JIT. Omni Group controls nine (09) sugar mills. However, a thorough forensic audit needs to be conducted to ascertain the total volume of farmers' subsidies misappropriated by Omni sugar mills and return them to the rightful owners / farmers.

[The complete details and evidence pertaining to this section are contained in the report 'FINAL INVESTIGATION REPORT NO. 18-B' titled "Misappropriation of Cane Growers Subsidy"].

Tailored Tractors' Subsidy by Government of Sindh – Misappropriated

233. During the investigation into Fake Accounts, it was found out that one of the Fake Entities (M/s Iqbal Metals belonging to a deceased sanitary worker) was transacting with Orient Automotive Industries Pvt. Ltd. – a tractor manufacturer of Omni Group. On this the JIT landed into the investigation of the associated scam vis-à-vis misappropriation by Omni Group of tractors subsidies offered by the Government of Sindh through Sindh Bank.

234. Government of Sindh initiated Annual Tractor Subsidy Schemes for poor farmers in the years 2013 to 2016. Total subsidies amounting to Rs 1996.2 Million were given. Fifty-one (51%) of subsidy amounting to Rs 1021.2 Million was dished out to tractors manufacturer of Omni Group (IMT & MTW), through a manipulated (queue-jumping) technique of First come, First Serve. Sindh Bank was primarily used to manipulate the allotment of tractors to farmers in collusion with mainly three (03) dealerships viz. Tara Chandh, Sarwar Bhatti and Altaf Chachar (Ref. ANNEX-75 for copy of bank statements of Tara Chandh and Sarwar Bhatti, reflecting issuance and cancellation refund of Rs. 25000 per applicant pay-orders). These dealers would collect CNICs copies of their own persons, make down payment pay-orders and deposit with applications to the managers of Sindh Bank prior to the start of the annual scheme. When the annual scheme would be announced, genuine applications were denied on the ground that requisite number of applications has already been received.

235. In addition to this, the investigations have found out that applicants who got subsidized tractors from Millat and Ghazi tractors (local manufacturers of tractors as against their competitor Omni Group who was importing the Belarus tractor) were also those whose names were received from the above mentioned dealers and vetted by the concerned managers of Sindh Bank and hardly any genuine farmer benefited from this scheme.

236. It is pertinent to point out here that 35 acres Industrial Plot at Nooriabad was allotted to Orient Automotive Ind. Pvt. Ltd. (Aslam Masood) and Pak Ethanol Pvt.

Ltd. (Tahir Mehmood) in 2014 by SITE under Ministry of Industries, Government of Sindh. The payments for this plot amounting to Rs 9.25 Million came from the Fake Account (M/s Lucky International), Alfa Zulu Co. and personal account of Khawaja Muhammad Salman Younas. This shows how even Omni Group's front companies (registered in the name of their employees) were getting illegal benefits of all types.

[The complete details and evidence pertaining to this section, are contained in the report 'FINAL INVESTIGATION REPORT NO. 18-A' titled "Tailored Tractor Subsidy Scheme for Omni Group"].

Tailored Subsidy for Four (04) New Captive Power Plants of Omni Group by Government of Sindh – Misappropriated

237. Shikarpur, Dadu Energy, Omni Power and Thatta Power – four (04) out of the total six (06) new captive power plants in Sindh were controlled by Omni Group. These Captive Power Plants entered into a high priced power purchase agreement with power distribution companies in Sindh, which was revised on the directions of NEPRA (Ref. ANNEX-76 for copy of NEPRA's tariff structure for captive power plants), upheld by honourable Sindh High Court (Ref. ANNEX-77 for copy of judgement of Sindh High Court).

238. However, against the advice of the then Governor Sindh, the Government of Sindh steered a colourable legislation "Sindh N-CPP Subsidy Act - 2017", ostensibly, to give relief to woes of citizens of Sindh due to power shortage (Ref. ANNEX-78 for copy of Act). However, this colourable legislation was tailored to benefit mainly Omni Group. This colourable legislation provided legal backing to the Government to subsidize (high-priced) power tariff for Omni's captive power plants for ten (10) years to undo the directions of Honourable Sindh High Court and NEPRA. The matter is presently pending in the august Supreme Court of Pakistan for adjudication vide Civil Appeal No. 2149 of 2016.

239. **Rs 2.311 Billion** total subsidy, worked out *retrospectively*(illegally) since March 2015, has been provided to New Captive Power Plants (N-CPP) till March 2018 out of which 68.7 % (1.587 Billion) has been granted to the aforementioned four (04) natural gas based power production companies of Omni Group. The legislation did not provide for any retrospective subsidy which was made by Chief Minister Sindh Mr Murad Ali Shah, Chief Minister Sindh by steering it malafide through the cabinet

meeting held on 04-12-2017. The subsidized power purchased agreements entered into with local DISCOs were never approved by NEPRA. This establishes that not only the Sindh Government but the Provincial Assembly of Sindh controlled by the PPP(P) was tailoring specific legislation for financial gains of Omni Group.

[The complete details and evidence pertaining to this section are contained in the report 'FINAL INVESTIGATION REPORT NO. 18-D' titled "Tailored Subsidy for Four (04) New Captive Power Plants of Omni Group against decision of NEPRA and Sindh High Court"].

Funds for Revival of Sick Industrial Units by Government of Sindh – Misappropriated

240. Investigations of Fake Accounts revealed that **Rs 1.04 Billion** subsidized loans for revival of Sick Industrial Units by Government of Sindh were placed in Fake Accounts. On this the JIT probed into the matter of Government funds / loans given to sick industrial units. It was found out that the Government of Sindh (GOS), through Sindh Board of Investment (SBI), initiated a program for revival of sick industrial units in the rural areas of Sindh in 2013/14 allocating total funds of Rs 4 Billion which were disbursed to Sindh Bank. However, Rs 3.80 Billion were disbursed out of which Rs 3.72 Billion were granted to Omni Group companies for the revival of following industrial units mortgaging the same units as collaterals: -

S	Sugar Mill	Acquisition Cost (Rs Billion)	Disbursed (Rs Billion)	Outstanding (Rs Billion / %)
1	Chamber Sugar Mills Pvt. Ltd.	Grabbed	1.39	1.34 (96 %)
2	New Thatta Sugar Mills Pvt. Ltd.	0.13	0.89	0.89 (100 %)
3	Larr Sugar Mills Pvt. Ltd.	Grabbed	1.43	1.43 (100 %)
TOTAL			3.72	3.67 (98 %)

241. The recipient of the loan was obliged to utilize the funds to revive the industrial unit into production. However, when the JIT probed into the affairs of New Thatta Sugar Mill Pvt Ltd, it found out that the funds for the revival of this sick industrial unit (Rs 895 Million) were diverted to repay the loans of other Omni sugar mills. Moreover, Thatta sugar mill never came into operations and the mill was dismantled in 2017. The loans have not been classified as "non-performing" by Sindh Bank despite the fact that the loans were diverted and the collateral against which they were issued has been dismantled.

[The complete details and evidence pertaining to this section are contained in the report 'FINAL INVESTIGATION REPORT NO. 18-E' titled "Revival of Sick Industrial Units"].

Abadgar Issue – Non Payment to Cane Growers

242. During the course of investigations into Fake Accounts, the JIT received a complaint from Mr. Ameer Ali Jamali, Vice President Sindh Abadgar Board Shaheed Benazir Abad wherein he alleged that huge amounts as payments to growers are outstanding against Bandhi Sugar Mill. On this, the JIT summoned Abdul Majeed Nizamani, President Sindh Abadgar Board for verification. He appeared before JIT on 13-12-2018 and revealed that a total of 148 complaints (total amounting to Rs 164.43 Million) are pending with Sindh Abadgar Board, out of which 103 complaints (Rs 146 Million, 88 % of total) are pending against Omni Group sugar mills.

S	Sugar Mill Name	No. of Complaints	Pending Amount (Rs Million)
1	Ansari Sugar Mills	18	11.2
2	Bawani Talhar	26	24.47
3	Chamber	12	29.27
4	Naudero	1	0.98
5	New Dadu	33	48.44
6	Tando Allah Yar	13	32.41
TOTAL		103	146.77

243. Further probe by the JIT revealed that Honorable Sindh High Court (in WP No. D-8666/2017, 7951/2017, 219/2018 and 440/2018) has formed a committee headed by Cane Commissioner Sindh, who reluctantly appeared before the JIT and claimed that the issue has been settled. This stance is at variance with the Sindh Abadgar Board and highlights the influence of the Omni Group on the State Functionaries in Sindh. Therefore, the JIT is of the opinion that a commission independent of Government of Sindh be appointed to compensate Abadgars.

[The complete details and evidence pertaining to this section are contained in the report 'FINAL INVESTIGATION REPORT NO. 8' titled "Abadgar Issue"].

NAB CASE No. 11: Rs 7.19 Billion Misappropriation of Government Subsidies

244. The above evidence clearly shows misappropriation of huge public money in garb of tailored subsidies to one particular group amounting to Rs 7.19 Billion most of which have been found to be misappropriated and misuse of authority by Mr.

Murad Ali Shah in his capacity as Finance Minister. These policies were specially tailored for Omni Group, which not only has established beneficial interests with Mr. Asif Ali Zardari, but from the evidence available on record has emerged as the front of Mr. Asif Ali Zardari. The tailoring of subsidies through 'colourable policies' and the illegal retrospective grant amounts to another misuse of authority.

RECOMMENDATION

The matter may be referred to NAB, for a thorough inquiry/ investigation and filing a reference in the Accountability Court for prosecuting those who were involved and recover the misappropriated subsidies etc.

c) INSTITUTIONAL CAPTURE OF LOCAL AUTHORITIES IN GOVERNMENT OF SINDH – MISAPPROPRIATION OF GOVERNMENT LAND & FORCIBLE ACQUISITIONS OF PRIVATE LANDS

245. The misuse of the authority of the Government of Sindh in doling out thousands of acres of land to Bahria Town and illegal allotment of Bagh Ibn-e-Qasim land to ICON Twin Tower Project has already been discussed at length earlier.

Illegal doling out of 'Amenity Plots' by Karachi Development Authority (KDA)

246. This section deals with the doling out of amenity plots (prime urban land in Karachi) by the Government of Sindh. In fact, during the course of proceedings of JIT, it transpired that certain payments have been made from Fake Accounts to KDA in connection with some plots. Thereafter record files of those plots were obtained from KDA.

247. Record of KDA indicated that these payments were made in connection with the following amenity plots (State Land). It is important to mention here that amenity plot, ST-28 measuring total 2722 Square yards had been illegally split, in 1996, into three (03) plots through a "part plan" by the then Minister Town Planning.

S	Plot No (Clifton, Block-1 Karachi)	Original Use (KDA)	Allotment / Auction
1	ST-28 (1111 Square Yards)	Library	Library plot manipulated auction in favour of Nadeem Ahmed Khan @ Rs 9800 / square yards (2012)
2	ST-28/A (500)	Mandir (allotted to Ms.	Mandir plot allotted illegally to a

	Square Yards)	Shri Sataya Kabir Satsangh in 1986 was cancelled in 1996 and restoration request was denied.	Muslim, Nadeem Ahmed Khan on application to KDA without auction @ Rs 11,975 / square yards (2013)
3	ST-28/B (1111 Square Yards)	Industrial Home	Allotted to Ms. Parveen Qaimkhani (presently MPA PPPP) @ Rs 500 / square yards by Minister Town Planning 1996.
4	ST-25/B (2166 Square Yards)	Public Gymnasium	Manipulated auction to Haris Raees in 2010

248. These amenity plots (State land for Public utility) were illegally and unlawfully sub divided, auctioned / allotted by KDA in violation of the rules pertaining to use of amenity plots. Director land KDA, Najam Uz Zaman was instrumental in the illegal allotment / auction to one Nadeem Ahmed Khan at throw away rates (much below market rates).

249. The JIT has found out that Nadeem Ahmed Khan was a nominal employee (salary Rs 35000 / month) of M/s Parthenon Pvt. Ltd. and 'maintenance in-charge' of International Business and Shopping Center (IBSC) - (Ref. ANNEX-79 for his statement), a property owned by M/s Park Lane Pvt. Ltd (company of the then President Mr. Asif Ali Zardari). It was further discovered that Younas Kudwai – a shareholder / director of above mentioned M/s Park Lane Pvt.Ltd. – directed all the manipulation through KDA while the payments against these plots were made from Fake Accounts (by Aslam Masood, CFO Omni Group).

250. This is atypical case of grabbing of one of the most expensive and prime urban State land by and on the behest of people like Younas Kudwai, who was partner / shareholder with the then President Mr. Asif Ali Zardari, by abusing the authority of the Sindh Government and KDA.

[The complete details and evidence pertaining to this section, are contained in the report 'FINAL INVESTIGATION REPORT NO. 16-B & C' titled "ST 28A & 28 B & Doling out of Amenity Plots / Misappropriation of Government Land (ST 25B)"].

NAB CASE No. 12: Misappropriation of prime amenity plots in Clifton Karachi

251. The above evidence clearly shows misappropriation of prime urban amenity land for library and Mandir to one Nadeem Ahmed Khan in collusion with Younas Kudwai (1611 square yards) and another prime land reserved for public gymnasium

(2166 square yards) to one Haris Raees through the collusion of Board of Revenue headed by the Chief Minister and KDA. These prime lands were illegally allotted through Younas Kudwai, who not only has established beneficial interests with Mr. Asif Ali Zardari, but from the evidence available has emerged as the front of Mr. Asif Ali Zardari.

RECOMMENDATION:

The matter may be referred to NAB, for a thorough inquiry/ investigation and filing a reference in the Accountability Court for prosecuting those who were involved and recover the misappropriated state land or its present market value

Pakistan Steel Mill – Misappropriation and Grabbing through Revenue Authorities, DG SBCA and Private Builders Land Mafia

252. During scrutiny of one of the Fake Accounts (M/s Umair Associates), Rs 31.95 Million were found deposited on 17-07-2014 and 01-09-2014 through forty (40) bearer cheques issued by one Amanullah Memon. He stated before JIT that these cheques were given to Ehsan Elahi, Director of Al-Aksa Builders as partial payment for purchase of 58 acres' land (with condition of obtaining NOC for sale and marketing by seller) at Bin Qasim, District Malir Karachi which the former had purchased for development and sale of a private housing society.

253. JIT also examined Ehsan Elahi who corroborated the statement of Amanullah Memon and further disclosed that he had paid Rs 35 Million, including the bearer cheques to Manzoor Qadir kaka – absconding former DG SBCA - as bribe for obtaining NOC for said plot (Ref. ANNEX-80 for copy of statement of Ehsan Elahi). This kickback amount landed with Omni Group. Ehsan Elahi further revealed that he purchased the said land from Mohammad Yousuf Edhi and Ghulam Hussain Hallari. However, Ehsan Elahi failed to provide transactional evidence for the consideration paid with respect to the said 58 acres' land and also failed to justify himself as a man of means. Muhammad Yousuf Edhi stated before JIT (Ref. ANNEX-81 for copy of statement) that he and his relative Ghulam Hussain Hallari were allotted 562 acres Government land at Bin Qasim Malir in exchange of 29 acres' private land at Sector 24-A, Scheme 33, Malir. He further informed that the said exchange of land was processed through revenue officials by a private person namely Aftab Hussain alias

Aftab Pathan (whose front man was Ehsan Elahi) for which 262 acres' land out of 562 acres' land was transferred to the nominee of Aftab Pathan i.e. Ehsan Elahi.

254. Record obtained (Ref. ANNEX-82 for copy of statement of Mukhtiarkar and a copy of Village (Deh) Form No. II) corroborated the statement and exchange was allowed on the grounds of adjustment of land having equal value. The same was approved by Supervisory Committee consisting of Secretary/Member (LU), DC Malir and Senior Member BOR vide order dated 23-07-2012(Ref. ANNEX-83 for copy of order).

255. The above said exchange of land i.e. 29 acres from Scheme 33 to 562 acres at Bin Qasim was exchanged in violation of statement of conditions under Section-17 of Colonization Act 1912 and Section 10(2-A) Colonization of Government Land (Sindh Amendment) Act 1995 which state that no state land shall be exchangeable with private land. The exchange caused loss of 562 acres Government Land worth Rs 4.14 Billion.

256. Probe further revealed that 362 acres of land out of 562 acres is part of Pakistan Steel Mill land and is under litigation at various forums and Ex-DG SBCA (Manzoor Qadir Kaka) issued conditional NOC for sale and marketing of plots of private housing scheme, *Gulistan-e-Hadeed*(Ref. ANNEX-84 for copy of NOC). The subsequent litigation and cancellation of NOC did not affect the beneficiaries of fraudulent misappropriation of State land monetarily but caused loss to the general public who had purchased these plots.

257. It has been prima facie established that Revenue and SBCA officers misused their authority to fraudulently misappropriate and sell precious Pakistan Steel Mills land to private builders' mafia and thereby caused huge loss to national exchequer.

[The complete details and evidence pertaining to this section, are contained in the report 'FINAL INVESTIGATION REPORT NO. 16A' titled "Pakistan Steel Mill Land"].

NAB CASE No. 13: Misappropriation of 362 acres Pakistan Steel Mill Land

258. The above evidence clearly shows misappropriation of Pakistan Steel Mill Land (362 acres) to private builders through the collusion of Board of Revenue headed by the Chief Minister and Manzoor Qadir Kaka (ex DG SBCA)

RECOMMENDATION

The matter may be referred to NAB, for a thorough inquiry/ investigation and filing a reference in the Accountability Court for prosecuting those who were involved and recover the PSM Land or its present market value

Misappropriation of Seven (07) Acres Prime Urban State Land in Gulistan-e-Jauhar – Role of M/s Pink Residency (A Front Company of Mr. Asif Ali Zardari)

259. The investigation found out that cheques amounting to Rs 46.4 Million were issued from the Fake Accounts (A-One International, Ibrahim Linkers and Umair Associates) in favour of one Aslam Qureshi (Ref. ANNEX-85 for transactions record). On this the JIT investigated Aslam Qureshi and the associated dealings and found out that it was another instance of misappropriation of State land through fraudulent awards in favour of the said Aslam Qureshi and ultimately M/s Pink Residency (a company owned by Abdul Jabbar, brother of Younas Kudwai – Front man).

260. It transpired that in 2014, the said Aslam Qureshi applied for regularization of a seven (07) acres' award of land made to Muhammad Hassan and others, on the behalf (Sub Attorney) of Muhammad Hassan and others. It is important to mention here that the original award of more than 30 acres of State land in sectors 31 and 47, Scheme 33 Karachi, made in 1994, against their inferior private land (*Kabuli*) at Deh Karamniatee, had already been cancelled in 2001 vide Ordinance No. III of 2001 (cancellation of *Kabuli* lands exchanged with precious State Lands). The Board of Revenue (BOR) Sindh while considering the application of Aslam Qureshi for regularization of 7 acres out of more than 30 acres, fraudulently and malafide shifted his claim from Scheme 33 (Deh *Thoming* - low value) to Scheme 40 (Deh *Safooran* – very high value in prime urban area of Gulistan-e-Jauhar) and made the 7 acres' award in scheme 40 (Ref. ANNEX-86 for transfer of land to Gulistan-e-Jauhar). It is pertinent to note here that Aslam Qureshi even before the award was made had transferred this land to M/s Pink Residency (Abdul Jabbar) through a conveyance agreement. The regularization fee (differential challan of Rs 7.3 Million) was paid through a Fake Account (Umair Associates). It is important to note that the conveyance agreement was not signed by Abdul Jabbar, but his brother Younas Kudwai (Front man of Asif Ali Zardari), (Ref. ANNEX-87 for conveyance deed signed by Younas Kudwai). Through another fraudulent award in May 2018, the remaining

23 acres of land in Sectors 31 & 47 of Scheme 33 was also awarded to Aslam Qureshi by Secretary Land Utilization Aftab Memon, under the influence of Government of Sindh despite the fact that the Sindh Government Lands Committee (Regularization Committee) stood dissolved in August 2017.

[The complete details and evidence pertaining to this section are contained in the report 'FINAL INVESTIGATION REPORT NO. 16H' titled "Pink Residency"].

Gratis Take Over of 31 Acres Precious Private Land near Karachi International Airport by Younas Kudwai – Mr. Asif Ali Zardari's Frontman (Al-Ain Holding)

261. Probe into the Fake Accounts revealed that Khawaja Ali Kamal Majid is one of the partners of Al-Ain Holdings, a partnership firm which holds 31 acres of precious land near Karachi International Airport. On further inquiry, it transpired that Al-Ain Holdings had purchased this land from a *Parsi* family (heirs of Nadirshah Eduljee Dinshaw known for NED University) in 2004 against Rs 120 M (loan obtained from the bank). Surprisingly in 2014, Ali Kamal Majid and Younas Kudwai jointly took over the ownership from the owners of Al-Ain Holding (registered with registrar of firms Karachi) and consequently this precious land without paying any consideration. The subject 31 acres' land has been mutated in favour of the new owners of Al-Ain Holdings, however, the registration documents are still in the name of former owners.

262. The issue of *gratis* transfer (Ref. ANNEX-88 for copy of record of rights) of this precious land has not been answered satisfactorily by any of the parties to this deal. The deal however showed the avid takeover of prime lands in Karachi by the Zardari-Omni nexus (interests of Zardari reflected through his front man Younas Kudwai).

[The complete details and evidence pertaining to this section, are contained in the report 'FINAL INVESTIGATION REPORT NO. 16F' titled "Al-Ain Holding (Airport Land)"].

NAB CASE No. 14: Misappropriation of Land by frontman of Asif Ali Zardari (Younas Kudwai)

263. The above evidence clearly shows misappropriation of State Land through M/s Pink Residency and M/s Al-Ain Holdings (Run by Younas Kudwai – frontman of Mr. Asif Ali Zardari), collusion of Board of Revenue headed by the Chief Minister.

RECOMMENDATION

The matter may be referred to NAB, for a thorough inquiry/ investigation and filing a reference in the Accountability Court for prosecuting those who were involved and recover the misappropriated state and private lands mentioned or their present market value

Forcible Acquisition of Plot 103 – 104, Block 5, Clifton Karachi

264. The probe into Fake Accounts revealed a payment of Rs 236 Million landing from one Hanif Jiwani and others into Fake Accounts (of Iqbal Metals, A-One International and Umair Associates). On this the JIT examined Hanif Jiwani (Ref. ANNEX-89 for his statement) whereby he revealed forcible acquisition of his property by Abdul Ghani Majid and Manzoor Qadir Kaka.

265. It transpired that property no 103 & 104, Block 5, old Clifton Karachi was owned by Hanif Jiwani and partners which was forcibly purchased by Khawaja Abdul Ghani Majid in collusion with Manzoor Qadir Kaka in 2013. Hanif Jiwani and partners received an amount of Rs 187 Million against the said property from the joint account (which transacted Rs 3.9 Billion with Fake Accounts) of Zain Malik & Mushtaq Ahmed. Manzoor Qadir Kaka simultaneously forced Hanif Jiwani to purchase a property of Abbas Ali Agha (relative of Zulfiqar Mirza) No. GC 1, Block 5, Clifton Karachi against an amount of Rs 1.2 Billion (a land which was submerged in a drain). These transactions reflect the manner in which private properties were forcibly acquired under duress from prominent businessmen through the use of coercion and Government officers.

Fraudulent Acquisition of Private Prime Urban Plot 110 (2395 Square Yards) Old Clifton Karachi – Complicity of Karachi Municipal Corporation (KMC)

266. The investigation found out that cheques amounting to **Rs 25 Million** were issued from a Fake Account (A-One International) in favour of one Zulfiqar Ali (Real Estate Agent) and three (03) others (Ref. ANNEX-90 for transaction record), heirs of one Abdul Rashid Bati. On this the JIT investigated Zulfiqar Ali and the associated dealings and found out that it was an instance of grabbing prime urban private land through coercion and fraud with the collusion of KMC, in favour of Ali Kamal Majid (Omni Group).

267. It transpired that a prime urban Plot 110 (2395 Square Yards) Old Clifton Karachi was auctioned / leased to one Abdul Aziz Bati in 1950 and was being held by his two (02) sons settled in London and three (03) nephews settled in Karachi. The real estate agent, acting as a broker, caused the share of three (03) nephews to be sold to Ali Kamal Majid against Rs 34.5 Million as per the registered sale deed. However, the real estate agent, in collusion with Adv Badaruddin Fatehali Vellani (holding General Power of Attorney (GPA) on behalf of the sons settled in London) created a bogus transfer deed (UK £ 0.39 Million, without any proof of payment provided by the estate agent) - (Ref. ANNEX-91 for transfer deed). Then the KMC officials without verifying the genuineness of GPAs caused the 50 % shares of the two sons settled in London to be transferred fraudulently in favour of Ali Kamal Majid. Hence, a prime Plot No. 110 (estimate value Rs 950 Million – Plots 110 and 111) was grabbed almost gratis (Rs 34.5 Million, less than 10 % of the actual value).

[The complete details and evidence pertaining to this section are contained in the report 'FINAL INVESTIGATION REPORT NO. 16G' titled "Plot 110"].

d) INSTITUTIONAL CAPTURE – AWARD OF ALL DEVELOPMENT CONTRACTS TO FAVOURITE GROUP OF CONTRACTORS REMITTING KICKBACKS INTO 'FAKE ACCOUNTS'

268. The project of 23 package contracts, for construction of water transmission channels from Left Bank Outfall Drainage (LBOD) to Thar Coal Power Project commenced in 2012/13 (Rs 9.07 Billion) escalated to Rs 40 Billion as per last evaluation. Twelve (12) contracts in this project were awarded to eight (08) blue eyed contractors (Para 45) who had paid Rs 547 Million into Fake Accounts. Violation of S-PPRA rules 12, 15-2-a-(ii & iii) and 67 were observed with respect to qualification of bidders and in the procurement of consultancy services. The Thar coal water transmission project has been discussed in detail in the earlier sections of this report.

[The complete details and evidence pertaining to this section are contained in the report 'FINAL INVESTIGATION REPORT NO. 19' titled "Kickbacks by Government Contractors into Fake Accounts".]

NAB CASE No.15: Rs 1.32 Billion of kickbacks by Government Contractors into 'Fake Accounts'

269. The above evidence clearly shows that Government contractors (favourite) of Government of Sindh deposited huge kickbacks (Rs 1.32 Billion) into 'Fake Accounts'. Additionally, it shows huge irregularities in award of water transmission to Thar Coal Project (Rs 40 Billion), misuse of authority (violation of S-PPRA by concerned Ministers / Secretaries) and misappropriation / embezzlements of huge public money

RECOMMENDATION

The matter may be referred to NAB, for a thorough inquiry/ investigation and filing a reference in the Accountability Court for prosecuting those who were involved and recover kickbacks and embezzled funds etc

Detection of embezzlement on a gigantic scale by various departments of Government of Sindh

During examination of the award of contracts to favourite contractors by the Government of Sindh (Rs 1.32 Billion kickbacks deposited into Fake Accounts already mentioned), the JIT procured the record of release of funds by the Finance department during 2013 to 2018 in respect of all PSDPs pertaining to Agriculture, Energy, Health, Education, Works & Services and P & D. The preliminary investigations pointed out to various ghost payments. It was further noted that in some instances awards were given to a single contractor. The scale of the corruption mandated due diligence to clearly identify specific cases of misappropriation, embezzlement, violations of S-PPRA and by passing the financial feasibilities through administrative approvals and summaries. However, given the enormity of the scope of work of the JIT sufficient time and resources could not be allocated to unearth the mega corruption by the Government of Sindh.

[For details and information pertaining to 'Corruption in PSDPs 2013 – 2018 by various departments in Government of Sindh', are contained in the report 'JIT INVESTIGATION REPORT NO. 25 MARKED AS "CONFIDENTIAL"'.]

e) INSTITUTIONAL CAPTURE – AWARD OF ENERGY SECTOR CONTRACT TO TECHNOMEN KINETICS PVT. LTD. – A FRONT COMPANY INVOLVED IN 'HUNDI' (TRADE BASED INTERNATIONAL MONEY LAUNDERING)

270. During investigation, an amount of **Rs 563 Million** was found originating from 'Fake Accounts' and after being layered through the accounts of various directors

of Omni Group, was injected into Technomen Kinetics Pvt Ltd. as equity(Ref. ANNEX-92for record of transaction). On this disclosure, the JIT probed into the affairs of Technomen Kinetics Pvt. Ltd.

271. It was noted that Technomen Kinetics Pvt. Ltd. is a working partner of Government of Sindh in Government sector sponsored power projects. It was further found out that Technomen Kinetics Pvt Ltd., in collusion with a frontman Khurshid Jamali (interlocutor between Government of Sindh and Omni Group), played an instrumental role in international money-laundering for the Zardari-Omni enterprise. The affairs of Technomen Kinetics Pvt. Ltd., are therefore discussed in the subsequent section (please refer Para 272 and paras 276 to 280).

The Award of 85 Kilometres, 132 KV, Transmission Line from SNPC to K-Electric Grid, to Technomen Kinetics Pvt Ltd

272. The installed capacity of 100 MW of SNPC I & II could have been injected into the national grid (HESCO) through a transmission line of **7 Kilometre** only. However, this could not see the light of the day. Technomen Kinetics Pvt Ltd. due to its role in 'Hundi' based laundering (please refer paras 276 to 280) had become such a blue eyed of the Sindh Government by 2015 that it not only used fake experience letters but also setup a fake bidder / competitor (Pooling) to obtain award for laying of **85 kilometres** 132 KV transmission line from SNPC Nooriabad to K-Electric grid station. The award was given in haste, without any PC-1 and without inclusion of the project in Annual Development Plan (ADP). The initial award, which was Rs 1.27 Billion, subsequently escalated to Rs 1.9 Billion.

[The complete details and evidence pertaining to this section are contained in the report 'FINAL INVESTIGATION REPORT NO. 22-B' titled "Technomen Kinetics".]

10. INTERNATIONAL MONEY LAUNDERING

a) ORIENT ENERGY – A Vehicle for 'Hundi' based Laundering

273. M/s Orient Energy System was a representative of GE Jan Bacher Gas Engines and Engineering Procurement Construction (EPC) contractor. The investigation found out that Omni Group for installation of its four captive power projects in 2011 – Shikarpur, Dadu Energy, Omni Power and Thatta Power –entered into an over invoiced project cost of Rs 1.25 Billion instead of actual cost (Rs 588 Million). The over invoiced amount of Rs 660 M was received by the Omni Group as under: -

S	Amount (Rs Million)	Paid By M/s Orient Energy Through	Received By
1	390	Orient Energy System, FZE Dubai (at Dubai)	Various front companies in UAE, i.e., Spintex Textiles Trading LLC, Greatway Trading LLC, Barlas General Trading, Al-Zarooni Exchange(Ref. ANNEX-76 for IO report)
2	270	Bank instruments issued (at Karachi)	In three Fake Accounts of M/s Lucky International, M/s Dream Trading and M/s Ocean Enterprise

274. Omni Group in addition to laundering kickbacks via over invoicing, used locally received kickbacks for equity for its four (04) above mentioned captive power plants and mark up payments of loans of Naudero Sugar Mill Ltd. The laundered money which was shifted abroad via over invoicing was used in Omni Aviation, Purchase of properties in UAE and Purchase of BMW car (Special 2013 Olympic Edition).

[The complete details and evidence pertaining to this section, are contained in the report 'FINAL INVESTIGATION REPORT NO. 22A' titled "Orient Energy – Over Invoicing".]

Involvement of Mr. Farooq H. Naek through his family, with international money laundering network of Omni-Zardari Nexus

275. The JIT while probing into the affairs of M/s Orient Energy System came across thirteen (13) remittances (including 3 remittances from Spintex Textiles Trading LLC, Dubai, a *Hawala* entity mentioned in above table) from Dubai amounting to USD 8,00,827 arrived into the account of Ibad Farooq Naek s/o Adv Farooq H Naek (Ref. ANNEX-93 for transactions record) from 2011 to 2013, while Mr Farooq H Naek was Chairman Senate (till 12-03-2012). It is noted further that these payments were used for purchase of plots No. A-8 and 10-A, in DHA, Karachi in the name of his wife Mrs. Farzana Naek.

It is pertinent to mention here that apart from this, NAB Karachi is already probing the nexus between Mr. Farooq H. Naek and Government of Sindh, in that, an exorbitant amount of approximately Rs. 500 Million has been paid by its Law department (2014 to 2018) in various litigations to him. Mr. Farooq H. Naek is still

engaged by the Government of Sindh against the orders passed by the august Supreme Court of Pakistan in CP NO. 3054/2015 dated 13-12-2017.

RECOMMENDATION

The matter may be referred to NAB, for a thorough inquiry and filing a reference in the Accountability Court under NAO and AMLA for prosecuting those who were involved

b) TECHNOMAN KINETICS PVT LIMITED – ‘Hundi’ based Money Laundering through Omni – Sindh Government Collusion

276. A payment of Rs 530 Million originated from two (02) Fake Accounts in July 2014. After being layered(Laundered) through Omni Group Companies (Pak Ethanol, Dadu Energy and Khoski Sugar Mill) and their directors (Mustafa Zulqarnain Majid and Nimr Majid) accounts, it got merged into the account of Khawaja Abdul Ghani Majid. This Rs 530 Million ultimately landed with Technomen Kinetics Pvt Ltd. Technomen is a Pvt Ltd. company having 51 % shareholding in Sindh Nooriabad (Public Pvt Partnership) Power Project on a Build-Own-Operate (BOO) basis. The JIT discovered that Technomen Kinetics Pvt Ltd. won the award on the basis of engaging a Chinese company namely Chint Electric Co, China (letter of intent - Ref. ANNEX-94for letter of intent by Chint) as it had no financial worth of its own. However, the Chinese company neither appeared nor injected any equity into the project.

277. The above amount of Rs 530 Million, along with an additional Rs 30 Million was ultimately injected as equity in Sindh Nooriabad Power Company (SNPC) phase I&II by Omni Group which had no stake in the project.

278. The Omni Group had earlier, during 2012/13, put the directors (Asif Mahmood and Arif Ali) of Technomen Kinetics Pvt Ltd. in front and established two (02) offshore companies in Dubai viz. Power Equity Investment, Dubai and Technomen Kinetics LLC – FZE Dubai. Technomen Kinetics LLC was then used to shift foreign currency (**USD 33 Million**) through manipulated Engineering Procurement Construction (EPC) contract between SNPC and Technomen Kinetics (refer Para 270) – LLC FZE Dubai through over-invoicing of imported power plant and transmission equipment and invoicing of services. The shares of Power Equity Investment, Dubai were transferred to Khawaja Anver Majid and Ali Kamal Majid (December 2014) without any

consideration which further corroborates that these foreign companies served as front companies of Omni Group. The JIT has further established that one Khurshid Jamali, who was nominated as an Independent Director in SNPC - I & II, is an interlocutor between Government of Sindh and Omni Group for all power sector projects in Sindh. He was the person whose company ME Consultants was awarded the consultancy to conceive, develop and design the SNPC I & II. He had been a beneficiary of 'Fake Accounts 'himself and had not only played an instrumental role in setting up above mentioned foreign companies but also the whole money-laundering scheme. This person was further prized with the portfolio of Chairman Sindh Engro Coal Mining Company (SECMC) – November 2013. On his Summary, a reward of **Rs 10 Million each** was bestowed upon three (03) civil servants of the Sindh Government: -

- Muhammad Waseem, Chairman P & D
- Muhammad Sohail Rajput, Secretary Finance
- Agha Wasif Abbasi, Secretary Energy

279. The Chief Minister Sindh Mr Murad Ali Shah was not only pleased to sanction the summary but also awarded an additional Rs 10 Million to Mr Khurshid Jamali, who had initiated the Summary.

280. Technomen Kinetics Pvt Ltd., which had no financial worth to begin with, won the dubious award from Sindh Government in a fraudulent manner and ultimately ended up laundering the proceeds originating from Fake Accounts and money from Omni Group and acted as a vehicle for domestic and international money-laundering. The collusion of the Zardari – Omni nexus and Sindh Government is evident in this pre-meditated scheme of money laundering.

[The complete details and evidence pertaining to this section are contained in the report 'FINAL INVESTIGATION REPORT NO. 22-B' titled "Technomen Kinetics".]

NAB CASE No.16: Hundi through M/s Orient Energy and M/s Technomen Kinetics

281. The above evidence clearly shows that M/s Orient Energy and M/s Technomen Kinetics in collusion with the Government of Sindh and Energy department laundered huge amount of public money through *Hundi* (trade based money laundering)

RECOMMENDATION

The matter may be referred to NAB, for a thorough inquiry/ investigation and filing a reference in the Accountability Court for prosecuting those who were involved and recovery of proceeds of crime, kickbacks, embezzlement etc.

c) 'Hawala' through Shakeel Jafferani / Reems Exchange

282. The arrest and investigation of one Shakeel Jafferani (FIR No. 11/2018, SBC, FIA Karachi), Hawala merchant revealed that he made Hawala transactions amounting to Rs 965 Million between Abdul Jabbar (brother of Younas Kudwai - frontman of Mr. Asif Ali Zardari) based in Karachi and Muhammad Umair (employee of Omni Group and nominal owner of Fake business entity Umair Associates) based in KAM Crown LLC, Dubai. Shakeel Jafferani also sent illegal Hawala payments to Younas Kudwai at Canada through Basharat Mehmood (Usman Exchange Co.) based in Lahore. The payments for Hawala were received from Abdul Jabbar directly or through his riders (Saad Sameer alias Sunny brother of Muhammad Umair-absconder abroad, Muhammad Ashraf and Amir) in cash. The above disclosure of Shakeel Jafferani is corroborated by the ledger statements of these payments recovered from his laptop, USB, Mobile phone WhatsApp communication and email account.

[The complete details and evidence pertaining to this section, are contained in the report 'FINAL INVESTIGATION REPORT NO. 22C' titled "Hawala by Omni Group".]

d) KAM CROWN LLC UAE – An Offshore Company to Shift Proceeds of 'Hawala and Hundi' to Various International Jurisdictions

283. During a raid in connection with Fake Accounts inquiry conducted on House F-157, Block 5 Clifton (owned by Mrs Nazli Majid) on 10-11-2018, FIA recovered documents pertaining to memorandum of association, transactions, letters of authorization to open / operate ban accounts in UAE, properties purchased using accounts of M/s KAM Crown International Trading House Co. LLC. It transpired that KAM Crown is a Ltd. liability company in Dubai with the following directors / beneficial shareholders: -

- Mrs Nazli Majid (17 %).
- Mrs Menahil Majid (16 %).
- Mrs Noor Nimr Majid (16 %).

- Mr Jabir Ahmed Muhammad Darwish Jabrooh (UAE national). 51 % shareholder but through a separate agreement surrendered his share of profit to the above mentioned three (03) directors.

284. M/s KAM Crown maintains five (05) accounts authorized to be operated by Aslam Masood (CFO Omni Group), Qaisar Ali Khan (Canadian national) and one Asif Nawab, in the following banks of UAE: -

S	Bank	Turnover (Million AED) (Jan – May 2015)	No of Transactions
1	Habib Bank AG Zurich	33.24	83
2	Emirates NBD	33.03	72
3	Mashriq Commercial Bank	Data Not Available, mandates MLA	
4	Abu Dhabi Commercial Bank		
5	Abu Dhabi Islamic Bank		
TOTAL		66.27	155

285. The analysis of transactions in the UAE bank accounts of M/s KAM Crown shows that these accounts have been credited by at least twenty (20) UAE based entities, the more significant of which are M. Azhar Technical Contracting LLC, Powertech Electronics, Power Equity Investments, Al-Nab General Trading LLC, Ayadah Trading LLC, Ali and Sons, Hopeway General Trading LLC, Amama International Ltd. and Thara Trading companies.

286. The analysis of the documents retrieved reveal “306” international Telegraphic Transfers (TTs) by KAM Crown, during 2015. Salient beneficiaries of these transactions include: -

S	Total Amount Transferred (Million AED)	Beneficiary and Purpose
1	8.8	Nazli Majid
2	6.98	Menahil Majid (Dubai)
3	6.37	JTE FZCO
4	4.35	Nimr Majid
5	1.7	Zulfiqar Wajid Shamsul Hassan (UK)
6	1.34	Abdul Ghani Majid (Dubai)
7	4.9	Al-Zarooni & Barlas Co.
8	0.86	Hotel and resorts in France, UK and Seychelles,
9	0.38	Trimenta Real Estate
10	0.16	Land Department (Dubai)

[The complete details and evidence pertaining to this section are contained in the report 'FINAL INVESTIGATION REPORT NO. 21' titled "KAM Crown LLC Dubai".]

e) Foreign Currency Accounts of Anver Majid Family

287. Twenty-one (21) personal foreign currency accounts of Anver Majid family were maintained in four (04) banks which show a total credit of Rs 1.02 Billion. Accounts were fed through cash deposits. From 2012 to June 2018 (UK £ 5.855 Million) was remitted to UK out of which UK£ 4 Million (68 %) was remitted during the year 2014/15.

S	Title	Account No.	Currency	Bank	Total Credit (Rs Million)
1	Abdul Ghani Majid	1-2-1-20630-333-146927	USD	Summit Bank	1.44
		1-2-1-20630-402-146927	GBP	Summit Bank	267.10
		0100057512	USD	Meezan Bank	0.09
		0100058902	GBP	Meezan Bank	0.03
2	Ali Kamal Majid	1-2-1-20630-333-146941	USD	Summit Bank	0.20
		1-2-1-20630-402-146941	GBP	Summit Bank	N/A
3	Anver Majid	1-2-1-20630-333-146959	USD	Summit Bank	7.57
		1-2-1-20630-402-146959	GBP	Summit Bank	232.78
		0100058900	GBP	Meezan Bank	0.24
		0100057507	USD	Meezan Bank	0.12
4	Nimr Majid	1-2-1-20630-333-147004	USD	Summit Bank	1.99
		1-2-1-20630-402-147004	GBP	Summit Bank	258.43
5	Menahil Majid	1-2-1-20630-333-146973	USD	Summit Bank	N/A
		1-2-1-20630-402-146973	GBP	Summit Bank	10.26
6	Saima Majid	01850051	EUR	Bank Al Falah	0.06
		1-2-1-20630-333-147150	USD	Summit Bank	16.73
		1-2-1-20630-402-	GBP	Summit Bank	8.08

		147150			
7	Sara Tarin	138583031602	USD	Silk Bank	1.09
		138584386402; 2000116559	USD	Silk Bank	8.61
		2005458954; 2005458954	GBP	Silk Bank	6.28
8	Mustafa Z. Majid	1-2-1-20630-402- 146934	GBP	Summit Bank	194.23
TOTAL					1.02 Billion

288. All of these foreign currency accounts were fed through cash deposits delinking the credit amounts from the source which shows that these domestic foreign currency accounts were also used for money-laundering.

[The complete details and evidence pertaining to this section are contained in the report 'FINAL INVESTIGATION REPORT NO. 23 titled "Domestic / Foreign Assets of Majid Family".]

11. UNDECLARED INTERNATIONAL ASSETS

289. Examination of financial activities closely related with the 'Fake Accounts' revealed that an organized system of international money laundering through Hawala / Hundi and Cash Smuggling was in place for shifting the proceeds of kickbacks, corruption and misappropriation to various international jurisdictions including through companies registered in tax havens (as mentioned below).

290. During the course of investigations, the JIT recovered various documents during searches made on various premises, the scrutiny of which revealed some of the international assets held by the Anver Majid Family members. The cost of acquisition of properties (some not known) show that they were acquired at an amount equivalent to Rs 15 Billion. Details of the properties identified are mentioned below: -

S	Property Address	Held Through / Remarks	Estimated Value (Million)	Beneficial Owner
UK PROPERTIES				
1	Flat 1,2 and 3, 38 & 39 Hans Place, London, SW1 X0JZ, UK)	Brenwood United Corporation (BVI)	£ 6.83	Anver Majid Family
2	39 A, Hans Place, London, SW1 X0JZ, UK)	N/A	£ 3	AG Majid
3	Lynton House 7 – 12, Tavistock Square, London, WC1H 9BQ, UK	N/A	£ 3.6	Anver Majid Family
4	Flat 8 Hanover Gate Mansions, Park Road, Marylebone, London, NW1 4SJ, UK	N/A	£ 3.5	AG & Menahil Majid
5	Flat 19 Hanover Gate Mansions, Park Road, Marylebone, London, NW1 4SJ, UK	N/A	£ 3.3	Menahil Majid
6	Flat 5 Dukes Street Mansions, 70 Duke Street, Mayfair, London, W1K 6JX, UK	Geraldine Mc Aleese & Co, London / Alexandria Holding (Gibraltar)	£ 2.75	Nimr Majid
7	23 The Marlows, London	Geraldine Mc	£ 2.41	Zulqarnain

	NW86NB, UK	Aleese & Co, London		Majid
8	Flat 15 Hanover Gate Mansions, Park Road, Marylebone, London, NW1 4SJ, UK	Dewhurst Enterprises Ltd. (BVI)	£ 2.34	AG Majid
9	Flat 54 Royal Court House, 162 Sloane Street, London, SW1X 9AT	Geraldine Mc Aleese & Co, London	£ 2.25	Nimr Majid
10	Flat 37 Eresby House, Rutland Gate and Storeroom, London, SW71BG, UK	Beachcroft Properties (Gibraltar)	£ 1.7	Anver Majid Family
11	Flat 50 Hanover Gate Mansions, Park Road, London, NW1 4SJ, UK	Dewhurst Enterprises Ltd. (BVI)	£1.4	Anver Majid Family
12	1 Holbein Place, London, SW1W 8NH	N/A	£ 0.8	Anver Majid Family
13	Flat 13A Hanover Gate Mansions, Park Road, Marylebone, London, NW1 4SJ, UK	Beachcroft Properties (Gibraltar)	£ 0.8	Anver Majid Family
14	3 Accommodation Road, London, NV11 8ED, UK	N/A	£ 0.28	Anver Majid Family
15	Baker Street House, London, W1U 8ED, UK	N/A	N/A	Anver Majid Family
16	Land and Building on the east side of Upper Fourth Street, Milton Keynes, MK9 1DP, UK	Chantryco Investments Ltd (Cyprus) through Sloane Square House, London.	N/A	Anver Majid Family
TOTAL			£ 35 Million	
FRANCE PROPERTIES				
17	Flat 1, 64 Avenue De WAGRAM, 75017, Paris, France	N/A	0.58 (Euro)	Nimr Majid
UAE PROPERTIES				
18	Yansoon Quarte 7, G11, Downtown Dubai	N/A	AED 3.9	Nazli Majid
19	1407/45, Lake Central Business Bay, Dubai	N/A	AED 3.5	Nazli Majid
20	1409/45, Lake Central Business Bay, Dubai	N/A	AED 3.5	Menahil Majid
21	Commercial Building No.76	N/A	AED 42	Menahil

				Majid
22	Commercial Building	N/A	AED 46	Menahil Majid
23	Apartments No. 105, 115, 217, 226, 307, 403 Silicon Heights 2, Silicon Oasis, Dubai	N/A	AED 5	Menahil Majid
24	Villa E-97, Emirates Hills	N/A	AED 21	AG Majid
25	Villa Lantana	N/A	AED 0.9	AG Majid
26	Discovery Gardens	Total 68 Apartments	AED 102.92	Menahil Majid
TOTAL			AED 228 Million	
TURKEY PROPERTY				
26	Fethiye Sat Turizm Ticaret Ithalat Ve Ihracat Ltd STI	N/A	N/A	Menahil Majid

291. Moreover, from the same seizures mentioned above, the JIT has discovered the following offshore companies held in the name of Anver Majid Family members. Value of only few of the companies were mentioned on the seized documents. The JIT has not been able to ascertain the nature of off-shore business of these companies or the total assets held abroad by these companies.

S	Property Address	Business / Assets Held by Company	Estimated Value (Million)	Beneficial Owner
UK COMPANIES				
1	Dee Holdings Ltd.	N/A	£ 67.5	Anver Majid Family
2	Stoke Energy Ltd.	N/A	£ 3.80	Zulqarnain Majid
3	M & T Solutions Ltd.	N/A	N/A	Zulqarnain Majid
4	Renewable Green Energy Ltd.	N/A	£ 3.68	Anver Majid Family
5	REH 1 Ltd.	N/A	N/A	Anver Majid Family
6	REH 3 Ltd.	N/A	N/A	Zulqarnain Majid
7	AGM Consultants Ltd.	N/A	N/A	AG Majid
8	AAM Investments Ltd.	N/A	N/A	AG Majid
9	Alexandria Holdings Ltd.	N/A	£ 2.6	AG Majid
10	Charon	N/A	N/A	Nimr Majid
11	Beachcroft Properties	N/A	N/A	Anver Majid Family

12	Geraldine Mc Aleese & Co, 82 Groover Park Terrace, London	N/A	N/A	Anver Majid Family
13	Fern ridge Ltd. (Isle of Man) care of Wed lake Bell Lip, 71 Queen Victoria Street, London	N/A	N/A	Nimr Majid
14	Chantryco Investments Ltd.	N/A	N/A	Anver Majid Family
15	Commercial Estates Group Ltd.	N/A	N/A	Anver Majid Family
TOTAL			£ 77 Million	
UAE COMPANIES				
16	KAM Crown	N/A	N/A	Anver Majid Family
17	Fins bury Trust	N/A	N/A	N/A
18	Pine Hill Trading	N/A	N/A	AG Majid

292. From the seizure of documents pertaining to M/s KAM Crown (mentioned above), the JIT has also discovered following accounts of Anver Majid family members in different countries as mentioned below: -

S	Title of Foreign Account	Account No and Bank
1	Nazli Majid	A/C No. 10108215132001, Abu Dhabi Commercial Bank
2	Khawaja Abdul Ghani Majid	A/C No. 10226566132001, Abu Dhabi Commercial Bank, Khaled Bin Waleed Street, Dubai
3	Khawaja Abdul Ghani Majid	A/C No. 100200003574, Commercial Bank International, Dubai
4	Khawaja Nimr Majid	A/C No. 1014872315201, Emirates NBD
5	Noor Nimr Majid	A/C No. 10108266132001, Abu Dhabi Commercial Bank, sheikh Zayed road Branch
6	Agha Sher Shah	A/C No. 1014872784601, Emirates NBD, union square Branch
7	Menahil Majid	A/C No. 10108311132001, Abu Dhabi Commercial Bank, Dubai
8	Agha Shershah & Farah Naz Shah	A/C No. N/A, Habib Allied International Bank PLC, 65-69 Edgware road, London W2 2HZ.
9	MME Menahil Majid	A/C No. 00918049694, Bred Banque Populaire, Bred Paris Saint Lazare, Paris
10	Khawaja Majid (Abdul Ghani Majid)	A/C No. 00818049686, Bred Banque Populaire, Bred Paris Saint Lazare, Paris

[The complete details and evidence pertaining to this section are contained in the report 'FINAL INVESTIGATION REPORT NO. 21 & 23 titled "KAM Crown LLC Dubai and Domestic / Foreign Assets of Majid Family".]

Undisclosed International Assets of Mrs. Faryal Talpur (MPA)

293. During investigation of Hawala and Hundi transactions and analysis of the seizures made during the course of investigations, following undeclared assets of Mrs. Faryal Talpur were detected in the name of her employee / front men: -

S	Property address	Cost (Million AED)	Frontman
1	Villa 775 Al-Fuljan Dubai	5.2	Ghulam Abbas Zardari s/o Ahmed Khan Zardari CNIC (45402-5862615-1) is a trusted front man of Mrs. Faryal Talpur and he has given the notarized General Power of Attorney with complete beneficial rights of ownership, sale / disposal to Mrs. Faryal Talpur which establishes that the beneficial owner of these properties is Mrs. Faryal Talpur. However, in her statement of assets and liabilities (From B) submitted to ECP, she has declared that she holds no assets outside Pakistan.
2	Flat 603, Palm Jumeirah, Dubai	2.25	
3	Flat 102, Business Way, Executive Tower, Dubai	6.5	Hamid Samoon s/o Peerano (PP No. AA5295983) r/oD-75 Block-5, Clifton Karachi as per his CNIC (42301-0973598-1) which is one of the addresses of Mrs. Faryal Talpur declared to ECP in nomination papers (Form B), given on her tax return and also on a petition filed in Sindh High court (Ref. ANNEX-for copy of CPD No. 3959/2012). He is the most trusted driver of Mrs. Faryal Talpur and her front man and has no other means of subsistence.
4	Gulf Residence, Motor City, Dubai	1.7	
5	Flat GR-2-113, Gulf Residences	1.7	
TOTAL		17.35 Million AED (equivalent to Rs 0.6Billion)	

[The complete details and information pertaining to 'The Foreign Assets and Accounts of Mr. Asif Ali Zardari and Family', are contained in the report 'JIT INVESTIGATION REPORT NO. 25 MARKED AS "CONFIDENTIAL"'.]

Referral of Undeclared International Assets to Asset Recovery Unit (ARU)

294. It is submitted that from the findings of investigation conducted so far by the JIT, it can be safely inferred that these undeclared assets were purchased from

money accruing from financial crimes and kickbacks / laundered proceeds, which was shifted abroad through *Hundi / Hawala* and foreign currency cash smuggling. Like the Omni Group, which has emerged as the front of Mr Asif Ali Zardari, these assets have been held in the name of the family acting as his front. The off-shore companies which have been created to hold other assets, not revealed during this investigation, also need to be referred to the Government of Pakistan (Asset Recovery Unit (ARU)). The foreign jurisdictions may be immediately alerted for freezing all assets held and subsequently requested for repatriation through international Mutual Legal Assistance (MLA) under the relevant instruments like UN Convention against Corruption (UNCAC) and UN Convention against Trans-National Organised Crime (UNTOC).

D. FAILURE OF THE REGULATORY MECHANISMS OF THE STATE INSTITUTIONS

295. The investigations by the JIT has noticed an abject failure of the premier regulatory institutions of the state like SBP and SECP in checking the unbridled growth of the money laundering cartel mentioned above. A bank (Summit Bank) was raised through 'fake' equity injection using laundered proceeds of crime. This should have been checked by the SBP. Not only that, Summit Bank was allowed to illegally acquire and amalgamate Rupali, Atlas, Arif Habib and Mybank. The SECP instead of checking these illegal acquisitions and amalgamations played as second fiddle as has been mentioned earlier in this report.

296. 'Fake Accounts' were opened in deliberate violation of the mandatory SBP Prudential Regulations pertaining to Anti-Money Laundering (AML) and Countering of Terrorism Finance (CTF), as mentioned below: -

S	Regulation Number	Mandatory Requirement
1	Regulation 1, Para 2 r/w Para 20	Physical presence of customer for account opening and identification
2	Regulation 1, Para 3	Verification of Business Profile, Income, Expected Transaction Threshold (Fake entries were made in it)
3	Regulation 1, Para 3 (b)	Obtaining original CNIC (individual) and Business Registration number (business entity)
4	Regulation 1, Para 7	Identification of Beneficial Owner
5	Regulation 1, Para 13	Maintaining CNIC copies of all cash depositors / withdrawers. Investigations revealed that CNIC copies are

		missing in cash deposits (Rs 2.81 Billion) and withdrawals (Rs 1.58 Billion)
6	Regulation 1, Para 17	Identification and Background Check along with Documentation of Suspicious Transaction and Cash Transactions. Transaction Monitoring System (TMS) in banks raised automatic "alerts" but they were deliberately ignored and not reported to Financial Monitoring Unit (FMU)
7	Regulation 1, Para 3 (c) AML / CFT Regulations and 4 (c) (ii) – Guidelines on Risk Based Approach	Business Address Verification Certificate and Call / Visit Report
8	Regulation 4 r/w Section 7 AMLA 2010	Initiation of Suspicious Transactions Reports (STRs) and despatch to Financial Monitoring Unit (FMU)
9	Regulation 5 r/w Section 7 (7) AMLA 2010	Maintaining Complete Record of Transactions with vouchers reflecting Counter Parties. Investigations revealed that vouchers are missing (misappropriated) in transactions amounting to Rs 1.8 Billion

297. Three (03) banks, mainly Sindh Bank, NBP and Summit Bank embarked on a lending spree to the front group of Mr. Asif Ali Zardari. It would be relevant to point here that the above banks ought to have adhered to the SBP's Prudential Regulations for Corporate/Commercial Banking (lending) which they deliberately ignored.

S	Regulation No.	Mandatory Requirement
1	Regulation R 1	Allowed exposure (loans) equal to maximum 25% of equity of bank to a single group.
2	Regulation R 8	Banks may reschedule/restructure their loans as per their policy but it should not be merely to avoid classification. The rescheduling/restructuring of non-performing loans shall not change the status of classification of a loan/advance etc. unless the terms and conditions of rescheduling/restructuring are fully met for a period of at least one year, however in this case forty-nine (49) restructurings were made
3	Regulation R 5	The Banks shall devise an appropriate mechanism to ensure that the financing extended is utilized for the intended purpose. Further, they will also ensure that financing is not used for none-productive purpose like hoarding, speculation etc. However in this case, many loans and subsidies of Government have been found to be diverted and misappropriated
4	Regulation O 2	Banks shall refrain from adopting any measures or practices in showing their deposits, MCR, nonperforming loans/assets, provisioning, profit, inter-branch and inter-

		bank accounts, or any other method to artificially inflate balance sheet or show improved profitability. Instances have been noted where loan obtained has been used for payment of interests on loan obtained from same bank
5	Regulation – (8) ANNEXURE-IV	State Bank of Pakistan may check the valuations of the assets under mortgage/charge, through an independent evaluator, on random basis, to verify the reasonableness of the valuations. However, SBP failed to check the single evaluator (Tracom) and many other fraudulent techniques used by Omni Group to take loans
<p>Role of SBP: SBP failed to provide inspection reports of the banks under question to the JIT.</p>		

E. FINAL SUBMISSIONS FOR ORDERS BY THE AUGUST SUPREME COURT OF PAKISTAN

298. The JIT has very minutely probed into the Thirty-two (32) 'Fake Accounts' and the transactions (/ dealings) associated with these 'Fake Accounts'. All the relevant evidence that could be made available in the short time at the disposal of the JIT has been brought on record through this report. The instances where the evidence was insufficient or inconclusive have not been included in the findings of the JIT.

299. From the information available with the JIT, the narratives given by the persons interviewed and information from other sources, the JIT is of the opinion that the mega-corruption and organized network of money-laundering brought forth through this report is only a tip of the iceberg. The public sector institutions, especially the Provincial Government in Sindh, had been conducting in complete disregard to the rules of propriety since the period examined 2009/10 onwards (period of operation of 'Fake Accounts').

Cognizance by NAB under National Accountability Ordinance – 1999

300. In the light of evidence brought on record, it is submitted that the august Supreme Court of Pakistan may like to pass appropriate directions to NAB to take cognizance in the following cases of mega-corruption, unearthed by the JIT: -

S	MEGA-SCAM OF KICKBACKS, MISAPPROPRIATIONS, MISUSE OF AUTHORITY AND CRIMINAL BREACH OF TRUST BY PUBLIC OFFICE HOLDERS / GOVERNMENT OFFICERS	Quick Refer. in this Synthesis Report
1	NAB to take cognizance under NAO 1999 and other relevant laws regarding illegal creation from crime proceeds and illegal expansion of Summit Bank – as per findings of Final JIT investigation Report No. 1 titled "Bank Capture / illegal creation of Summit Bank"	Para 74
2	NAB to take cognizance under NAO 1999 and other relevant laws regarding fraudulent loans taken by Omni Group from NBP, Sindh Bank and Summit Banks (Rs 53.53 Billion) - as per findings of Final JIT investigation Report No. 3, titled "Exponential Growth of Omni Group through Fraudulent Loans"	Para 95
3	NAB to take cognizance under NAO 1999 and other relevant laws regarding selling of Thatta and Dadu Sugar Mills by the	Para 114

	Government of Sindh at throw away prices - as per findings of Final JIT investigation Report No. 4, titled "Acquisition of Government Industries at Throw Away Prices"	
4	NAB to take cognizance under NAO 1999 and other relevant laws regarding misappropriation of Rs 1.5 Billion Loan through M/s Park Lane by the then President Mr. Asif Ali Zardari - as per findings of Final JIT investigation Report No. 6, titled "Rs 1.5 Billion Loan Misappropriation through JV Park Lane – Parthenon"	Para 132
5	NAB to take cognizance under NAO 1999 and other relevant laws regarding taking 'Tosha Khana' vehicles at 15 % of value by the then President Mrs. Asif Ali Zardari and payment of import through Fake Accounts - as per findings of Final JIT investigation Report No. 17-A, titled "Tosha Khana' Vehicles taken by Mr. Asif Ali Zardari"	Para 148
6	NAB to take cognizance under NAO 1999 and other relevant laws regarding undeclared luxury bullet proof vehicles imported by the then President Mrs. Asif Ali Zardari and payment of import through a deceased person - as per findings of Final JIT investigation Report No. 17-B, titled "Undeclared Vehicles of Mr Asif Ali Zardari"	Para 154
7	NAB to take cognizance under NAO 1999 and other relevant laws regarding taking Rs 1.22 Billion kickbacks in JV Opal-225 by Zardari Group through Mrs. Faryal Talpur - as per findings of Final JIT investigation Report No. 10, titled "JV Opal 225 – Zardari Group and Bahria Town"	Para 185
8	NAB to take cognizance under NAO 1999 and other relevant laws regarding taking Rs 8.3 Billion as kickbacks from Bahria Town through joint account of APS Mushtaq Ahmed / Fake Accounts and kickbacks as 50 % shares in Bahria ICON twin tower project (Rs 30 Billion) - as per findings of Final JIT investigation Report No. 15, titled "Bahria Icon"	Para 203
9	NAB to take cognizance under NAO 1999 and other relevant laws regarding 'Undeclared Farms of Mrs. Faryal Talpur and Zardari Group acquired through kickbacks money - as per findings of Para 205 - 207 of this MAIN (SYNTHESIS) REPORT / FINDINGS OF INVESTIGATION BY THE JIT	Para 209
10	NAB to take cognizance under NAO 1999 and other relevant laws regarding Rs 24.93 Billion fraudulent / misappropriated loans to Omni Group by Sindh Bank (Bilal Sheikh, CEO) and Murad Ali Shah, Finance Minister - as per findings of Final JIT investigation Report No. NO. 3, titled "Exponential Growth of Omni Group through Fraudulent Loans"	Para 227
11	NAB to take cognizance under NAO 1999 and other relevant laws regarding misappropriation of Rs 7.19 Billion Sindh Government's tailored subsidies for Omni Group by Sindh Bank (Bilal Sheikh, CEO) and Murad Ali Shah, Finance Minister - as per findings of Final JIT investigation Report No. 18-E titled "Revival of Sick Industrial Units", 18-D titled "Tailored Subsidy	Para 246

	for Four (04) New Captive Power Plants of Omni Group by Government of Sindh”, 18-A titled “Tailored Tractor Subsidy and No. 18-B titled “Misappropriation of Cane Growers Subsidy”	
12	NAB to take cognizance under NAO 1999 and other relevant laws regarding illegal doling out of prime amenity plots of library, Mandir and gymnasium in Clifton Karachi by BOR and KDA to Younas Kudwai – frontman of Mr. Asif Ali Zardari - as per findings of Final JIT investigation Report No. 16-C, titled “Doling out of Amenity Plots”	Para 251
13	NAB to take cognizance under NAO 1999 and other relevant laws regarding Misappropriation of 362 acres Pakistan Steel Mill Land by BOR, Manzoor Qadir Kaka and others - as per findings of Final JIT investigation Report No. 16-A, titled “Pakistan Steel Mill Land”	Para 258
14	NAB to take cognizance under NAO 1999 and other relevant laws regarding illegal acquisition of prime urban state and private lands by M/s Pink Residency and M/s Al-Ain Holding , by Younas Kudwai – frontman of Mr. Asif Ali Zardari - as per findings of Final JIT investigation Report No. 16- H & F, titled “M/s Pink Residency” and “M/s Al-Ain Holding”	Para 263
15	NAB to take cognizance under NAO 1999 and other relevant laws regarding Rs 1.32 Billion of kickbacks by Government Contractors into 'Fake Accounts' and kickbacks / violation of S-PPRA in award of contracts - as per findings of Final JIT investigation Report No. 19, titled “Kickbacks by Government Contractors into Fake Accounts”	Para 269
16	NAB to take cognizance under NAO 1999 and other relevant laws regarding Hundi through M/s Orient Energy and M/s Technomen Kinetics, partners of government of Sindh - as per findings of Final JIT investigation Report No. 22-A, titled “Orient Energy – Over Invoicing and No. 22-B, titled “Technomen Kinetics”	Para 281

Freezing of Assets of Omni Group and its Directors

301. The evidence pertaining to above mentioned requested NAB Case No.2 (refer Paras 95 & 96) clearly suggests fraudulent loans taken by Omni Group from NBP, Sindh Bank and Summit Banks (Rs 53.53 Billion). Most of the loans of Omni Group have been diverted, misappropriated and laundered abroad. The central role of Omni Group in misappropriating Government subsidies and injecting equities into its businesses from laundered proceeds of crime has also been unearthed in various section of this report. In view of the aforementioned, it is submitted that “*all the declared (moveable and immovable) assets and accounts of Omni Group and those of its directors – the Anver Majid family (combined)*” may be frozen, if

approved by the august Supreme Court of Pakistan, pending the final disposal by the Accountability Court: lest this 'money laundering cartel' (raised under the direct patronage of Mr. Asif Ali Zardari) which started with a paid up capital of Rs 6000 only in year 2000, shifts its assets abroad.

Freezing of Assets of Zardari Group and its Directors

302. The evidence pertaining to above mentioned requested NAB Case No.7 (refer Paras 183 & 184) and NAB Case. 8 (refer Para 201) clearly shows that Mr. Asif Ali Zardari and Zardari Group took huge kickbacks amounting to Rs 1.22 Billion (JV Opal 225), Rs 8.3 Billion and holding more than 50 % share in ICON Twin Tower Project (estimated value Rs 30 Billion).

303. As regard acquisition of major assets by Zardari Group Pvt.Ltd. no plausible and legitimate business or source of income was available with Zardari Group Pvt.Ltd. Consequently, in its reply to the JIT, filed by Mr. Asif Ali Zardari through his Advocate had to admit (unlawful) gains from JV Opal 225 as the only source for acquisition of assets (2011-2014) (please refer Para 181). In view of the aforementioned, it is submitted that *"the aforementioned assets and accounts of Zardari Group and those of its directors may be frozen, pending the final disposal by the Accountability Court.*

Order for 'freezing' of the third party sales of Bahria ICON Twin Tower Project

304. As has already been mentioned (please refer Para 202) that the above project has been raised illegally on the State land of Bagh Ibn-e-Qasim, Clifton, Karachi. Moreover, 50 % shares of the project are held as kickbacks received by Mr. Asif Ali Zardari – a public office holder (through his front man). The Project is near its completion. In view of this, it is submitted that the third party sale of this project or any part thereof be frozen and made subordinate to the final decision of the reference on the subject.

Specialized Anti-Money laundering Directorate in FIA

305. It is submitted that FIA may be directed to set up a specialized 'Anti-Money Laundering Directorate' comprising co-opted experts from relevant institutions/agencies (FMU, SBP, FBR/ SECP) under so that institution, be built on war

footings to investigate this intricate and organized crime in a scientific manner.