



28<sup>th</sup> March 2018

TL18/2803/1A

Mr. Shahbaz Sharif,  
Chief Minister Punjab,  
Government of Punjab,  
Chief Minister House,  
Lahore.

**Sub: Allegation of JSCL to Acquire Full Stakes in Quaid-e-Azam Solar Power Plant, and Suspicious Role of Punjab Privatization Board.**

Dear Sir,

Transparency International Pakistan refers to complaint against the Punjab Privatization Board for considering JSCL to Acquire Full Stakes in Quaid-e-Azam Solar Power Plant, forwarded for examination of the Chief Minister on 22<sup>nd</sup> December 2017, vide No TL17/2212/1A.

Punjab Privatization Board most probably got the letter from CM Secretariat, and forwarded the complaint to Jahangir Siddiqui and Company Limited for clarifications on 15.1.2018, and on receipt of the JSCL response to 22.1.2018, slept on it for 2 months, and on 22<sup>nd</sup> March 2018, forwarded the response of party to Transparency International Pakistan for its rejoinder, with documentary evidence if any, to be sent latest by 28<sup>th</sup> March 2018. **Annex-A.**

The response of JICL is nothing but consisting of hiding the facts, as JSCL is under NAB Inquiry, in the Dr. Asim Corruption Case Reference pending in Accountability Court, Karachi, and JSCL allegedly caused Karachi Stock Market collapse in 2008-2009, due to rights approved to tune of US \$ 170 million **Annex-B.** NAB remand report dated 5.1.2016 and Accountability Court Order dated 5.1.2016, due to which remands of 15 days was granted to NAB by the Judge are enclosed. **Annex-C and Annex-D.**

Punjab Privatization Board has not clarified any of the following issues the complainant has pointed out.

*In Pakistan Steel Privatization Case, the Supreme Court has ordered that the Share Purchase Agreement dated 24th April, 2006 is declared as void and of no legal effect.*

*The Supreme Court of Pakistan in Steel Mill Case, Constitution Petition No. 9 OF 2006 & CIVIL PETITION Nos. 345 & 394 OF 2006, ordered on 9<sup>th</sup> August 2006, that the Letter of Acceptance (LoA) dated 31st March, 2006 and Share Purchase Agreement dated 24th April, 2006 are declared as void and of no legal effect." On Arif Habib being qualified for the bidding, the court order said, "This statement in the pleadings on behalf of Arif Habib goes to substantiate without any doubt that his involvement in litigation was in the knowledge of the Privatization Commission. Thus, it had a duty to have applied mind before declaring him qualified to be one of the members of the consortium because we are of the opinion that a person who is involved in litigation in respect of the matter which pertains to a corporate body like K.S.E., etc, and against whom a report publicly has also been issued by the Task*



*Force could not be considered a person who could, prima facie, handle the affairs of the Pakistan Steel Mills transparently. Thus, his involvement in the litigation as well as the corporate behaviour as is evident from the Task Force Report could have disqualified him under Para 2.2(j) of the RSOQ". And in para 88, the order gave following comments. And that however, for the purposes of qualification as a potential bidder, the disqualification condition stipulates that a potential bidder would be disqualified to participate in the bidding process if, "he is involved in litigation, arbitration or any other dispute or event which may have material adverse effect on its ability to acquire the Equity Stake or to manage PSMC after completion of the acquisition of the Equity Stake." It is surprising that although the afore-referred allegations are a matter of record and have not been controverted either by respondent Mr. Arif Habib or by the Privatization Commission yet he was cleared of the qualification process and was allowed to participate."*

*Besides, Ali Siddiqui son of Jahangir Siddiqui, has been appointed on 31 August 2017 as Special Assistant to PM. And this SA to PM history is that he was Chairman of JS Private Equity Management, from 2002 to 2003 was an Executive Director of JSIL. Mr. Ali Siddiqui was also a Director with Crosby, a private equity firm, and is the Chairman of JS Bank Limited, director of Mahvash & Jahangir Siddiqui Foundation and Airblue Limited of PM Shahid Khaqan Abbasi.*

*As Special Assistant to PM, Ali Siddiqui is Public Office Holder under Section 5 (m). And under Section 9 of NAO 1999, 9 (a) (iv) A holder of a public office, or any other person, is said to commit or to have committed the offence of corruption and corrupt practices, if he if he by corrupt, dishonest, or illegal means, obtains or seeks to obtain for himself, or for his spouse or dependents or any other person, any property, valuable thing, or pecuniary advantage;*

**This is a case also of Conflict of Interest, as a government functionary is trying to take over by his family group, a PSE, which is unconstitutional.**

Transparency International Pakistan requests the Chief Minister Punjab to examine the complaint, take immediate action if any irregularity is found in this deal, in view of the Supreme Court Order in Pakistan in Steel case on 9<sup>th</sup> August 2006, on the credibility of the prequalification.

Transparency International Pakistan is striving for across the board application of Rule of Law, which is the only way to stop corruption.

With Regards,

  
Sohail Muzaffar,  
Chairman

Encl: Copy of complaint

Copies forwarded for the information with request to take action under their mandate to:

1. Chairman, NAB, Islamabad,
2. Chief Secretary, Government of Punjab, Lahore.
3. Registrar, Supreme Court of Pakistan, Islamabad.



DATE 22-03-2018.

To

Mr. Sohail Muzaffar  
Chairman  
**TRANSPARENCY INTERNATIONAL – PAKISTAN**  
4-C, Mezzanine Floor, Khayaban-e-Ittehad,  
Phase VII, Defence Housing Authority,  
Karachi-Pakistan.

**Subject: ALLEGATION AGAINST PREQUALIFICATION OF JSCL TO ACQUIRE FULL STAKES IN QUAID-E-AZAM SOLAR POWER PLANT**

Dear Sir,

Kindly refer your letter dated 22<sup>nd</sup> December, 2017 No. TL17/2212/13A.

2. Your reference had been examined in the Board and accordingly reply was sought from M/s Jahangir Siddiqui & Company Limited on the subject reference. The same is enclosed herewith for information (**Annex**).
3. You are requested to consider / examine the subject response of JSCL and if deemed appropriate please file a rejoinder to the assertion of JSCL alongwith any documentary evidence you may have in support of allegations by 28<sup>th</sup> March, 2018. Besides, it is requested that should TIP wishes so to be heard in person, any representative of TIP may attend this office on 1400 hours on 28<sup>th</sup> March, 2018.
4. Early response in this regard will be highly appreciated.

  
Muhammad Saqlain Arshad  
Transaction Manager  
Punjab Privatization Board  
o/e

**CC:**

- 1) Chief Secretary, Punjab
- 2) Secretary to Chief Minister Punjab
- 3) Secretary Energy, Govt. of the Punjab



Ref: CL - 021/18

Dated: January 22, 2018

**Jahangir Siddiqui & Co. Ltd.**

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**Mr. Saqlain Arshad**

Transaction Manager

Punjab Privatisation Board

28-Egerton Road,

National Tower, First Floor,

Lahore, Pakistan

**SUBJECT: REQUEST FOR DETAILED RESPONSE TO POINTS RAISED BY  
TRANSPARENCY INTERNATIONAL - PAKISTAN, VIDE LETTER  
DATED DECEMBER 22, 2017 REGARDING PRE-QUALIFICATION  
OF JAHANGIR SIDDIQUI & CO. LIMITED**

Dear Sir,

This is with reference to your letter No. SOG/PPB/1-182/2018/36 dated January 15, 2017 regarding the captioned matter.

At the outset we would like to state that Jahangir Siddiqui & Co. Ltd. ("JSCL") is a main holding company of one of the most reputed business conglomerates in Pakistan, the JS Group. As an overall group policy, we always strive to do all our business activities and carry on our operations with due respect to laws, rules and regulations. JSCL and JS Group's proven and demonstrated track record of compliance with all the relevant laws, rules, regulations, directives etc., is a testament to its commitment to carry out all its business operations in an ethical and lawful manner. Our commitment to conduct our business with the highest regard for transparency, legal and moral integrity is unwavering.

In light of the above background, our seriatim responses to the matters raised in the letter received from Transparency International-Pakistan ("TIP") are provided below:

**Point No. 1 & 2:**

This is a matter of record. As soon as JSCL received pre-qualification letter from the Punjab Privatization Board ("PPB"), Government of Punjab, the same information was



disseminated to the Pakistan Stock Exchange Limited ("PSX"). Copy of notification to the PSX is attached as *Annexure 'A'*.

It is pertinent to mention here that this disclosure of material information was made for the sake of transparency only and in accordance with the applicable regulatory provisions and good governance practices.

**Point No. 3 to 6:**

These are matters of record.

As stated above, JSCL is the holding company of one of the largest and most respected business conglomerates of the Country, the JS Group. JSCL is primarily an investment company in financial services and also makes long term investments in growing companies in Pakistan. In financial services, its investments cover all sectors including asset management, commercial banking, investment banking, Islamic banking, securities brokerage and insurance. JSCL also benefits from strategic long term investments including in technology, transportation, media, and industrial sector companies.

You will agree and appreciate that the resolutions of the Board of Directors of JSCL pertaining to long term equity investment of upto Rs. 2,000 million in Energy Infrastructure Holding (Private) Limited, a wholly owned subsidiary of JSCL by subscription of right shares for onward investment in the Energy, Petroleum and Infrastructural sectors and for raising funds up to Rs. 1,500 million through issuance of term finance certificates have been done in compliance with all relevant and applicable statutory and regulatory requirements. Moreover, you will also agree that there is nothing wrong, unethical or illegal in making investment in a subsidiary company or raising funds through issuance of debt securities.

As far as transparency is concerned, these corporate decisions were brought into the public knowledge through timely dissemination of the above information to PSX. Copy of notification sent to the PSX is attached as *Annexure 'B'*.

A handwritten signature in blue ink is located at the bottom right of the page, below the text of the second paragraph.

**Point No. 7**

The allegations made in this part of TIP's letter pertaining to JS Investments Limited ("JSIL"). You will agree and appreciate that JSIL is a separate legal entity. JSCL is neither involved in the day to day management and affairs of JSIL and (consequently) nor is JSCL in a position to provide any clarity or explanation of the allegations contained in this part of TIP's letter.

You will also agree that JSIL has no nexus to (or any involvement in) the intended acquisition of Quaid-e-Azam Solar Power (Private) Limited ("QASP"), as the Statement of Qualifications ("SOQ") was submitted by JSCL, which is a separate legal entity altogether. Furthermore, all the matters that require disclosures were duly made by JSCL at the time of submission of SOQ, including details of pending litigation related to JSCL, which has already been communicated to PPB as Annexure 'E' to the SOQ.

**Point No. 8**

The contents of para 8 do not require any comments and is not relevant to JSCL.

**Point No. 9**

The contents of point No. 9 are vehemently denied as false and misleading. JSCL is not involved in any Corruption Investigation by NAB under any Supreme Court Orders. Such frivolous allegations and baseless claims are unwarranted and made with an aim to tarnish the impeccable reputation of JSCL. This fact is evident from the fact that TIP's letter contains no evidence which could remotely substantiate these unfounded claims. In fact, this is a question which must be put forward to TIP, as the onus to prove the same rests on issuer of letter dated December 22, 2017.

**Point No. 10 & 11**

Mr. Ali Jehangir Siddiqui had resigned from the Board of Directors of Jahangir Siddiqui & Co. Ltd. with effect from August 30, 2017. A notification in this regard was disseminated to PSX as well, a copy of which is attached as *Annexure 'C'*. Post his resignation, Mr. Ali J. Siddiqui has no say or control over the operations and/or management of JSCL in any manner whatsoever. Moreover, he has not used his

position as the advisor to the Prime Minister in any manner which would favour, further or prejudice the interest of JSCL. Additionally, you will also concur that Mr. Ali J. Siddiqui has no power or say in the proposed privatization of QASP. Therefore, allegation of conflict of interest is false, misleading and baseless. Moreover, there is no evidence provided in TIP's letter which could even remotely substantiate these frivolous allegations, and you will agree that the onus to prove the same rests on issuer of letter dated December 22, 2017.

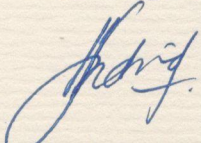
**Point No. 12**

Mr. Ali Jehangir Siddiqui was appointed as Special Assistant to the honourable Prime Minister on August 31, 2017. The privatization of QASP is being conducted by the Punjab Privatization Board, Government of Punjab through a transparent and competitive process. Accordingly, the privatization of QASP would be subject to competitive bidding in a transparent manner and therefore, question of conflict of interest does not arise.

More than the issue of this privatization being plagued by conflict of interest, a perhaps more serious allegation that is suggested here is that by pre-qualifying JSCL, Government of Punjab is not acting in a fair, ethical or transparent manner (which is not the case). It would, hence, be in the best interest of the Punjab Privatization Board to take this matter on with TIP for making such unfounded claims.

We hope the above would take care of your concerns. Further, we shall remain available to provide you any further information and assistance in this regard.

Yours truly,  
For **Jahangir Siddiqui & Co. Ltd.**

A handwritten signature in blue ink, appearing to read 'Hassan Shahid', written in a cursive style.

**Hassan Shahid**  
CFO & Company Secretary

Copy to:  
**Secretary, Government of Punjab, Energy Department.**

## ILLEGAL RIGHT ISSUE BY JSCL

From examination of the documents obtained from the SECP and initial inquiry into the trading records obtained from stock exchange, depository and clearing company it is found that-

(1) Approval for Right issue given by SECP to JSCL (through which JS raised Rs 10.5 Billion from Foreign investors,) was illegal, as SECP has in past never given any exemption from Rules of Right Shares.

(2) SECP did not provide full facts to NAB in its recent submissions

(3) Before raising Right issue of JSCL, its Net Asset Value was fraudulently increased by and artificial jacking/pumping of share prices and Market Manipulation the prices of JS Group companies. When the share market of Pakistan crashed, JS Group Shares artificial bubble crashed more, such as **JSCL share from January 2008 to January 2009 crashed from Rs 1326.75 to Rs 28.05 , i.e. 98 %**. This was one of the additional reasons for melt down of Pakistan stock exchange in 2008. During this period KSE 100 Index fell by only 52% .

(4) **During February 2008**, when the JSCL share price on 31.1.2008 reached Rs 1326.75, it appears JS Group started discussions for investment in JSCL by Foreign Investors, and ten parties were contacted. Presumably after 40 days of negotiations, the ten foreign investors by **12<sup>th</sup> March 2008** indicated their willingness to purchase 22.02 million share at Rs 475/share.

(5) **On 13 March 2008 JSCL** informed SECP and KSE that it wants to raise capital for the company and intend to appoint consultant/adviser.

(6) **On 28<sup>th</sup> to 1<sup>st</sup> April 2008**, JSCL signed Agreements to subscribe 22.02 million right shares of Rs 10/share at Rs. 475 each with 10 Foreign Investors, with special binding condition that they can not sell the shares in any manner before 6 months of that date the shares are issued or 31-12-2008, which ever is earlier.

(7) **On 8<sup>th</sup> April 2008 JSCL** asked approval under Section 86(1) from SECP for issuance of 32.708 million right shares at Rs 475 each, 22.02 million to foreign investors, and 10.455 million to local investors.

(8) SECP did not accept the application of JSCL as under SECP rules premium in share value of upto free reserve can be allowed, and as free reserve was only Rs 109.7 per share, Rs 465 could not be approved. And for considering Rs 465 premium under sub rule (iv) of Rule 5 of the companies ( Issue of Capital ) Rules 1996, following requirements are Mandatory.

a. Undertaking from sponsors to subscribe 40% shares and

b. Underwriting of remaining portion of the issue by at least two financial institutions including Commercial Bank and Investment Bank, who shall in their independent Due Diligence Reports provide justification as to the amount of premium. ( This rule is kept for the protection of the investors).

(9) **On 9 April 2008** SECP asked JSCL that as the premium is more than free reserve, JSCL shall provide the documents within three days as required under Sub rule (iv) of Rule 5 of the companies ( Issue of Capital ) Rules 1996.



**(10) At this point of time, it appears that Dr Asim Hussain's move was made to help though Mr Naveed Qamar Finance Minister, the Minister incharge of SECP. Statement submitted in Court on 5 January 2016 ,**

The Accountability court was informed that Dr Asim has disclosed about another scam of Karachi Stock Exchange collapse which happened to occur in 2008-09 because of right approved in favor of Jahangir Siddiqui to the tune of US \$ 170 million. He disclosed that he was privy to the effect that Jahangir Siddiqui through one ex-DIG Malkani approached ex-Minister Syed Naveed Qamar for approval of right through SECP illegally which resulted into severe loss to KSE. He admitted to have been in family friendship with ex-DIG Malkani for whom accused also extended his role in getting him right issue

(11) Mr. G.M Malkani mentioned by Dr Asim at that time was the CEO of JSGCL, and JSGCL is one of the company found involved in jacking up the shares values of JSCL.

(12) On third day, i.e. 11 April 2008, JSCL informed SECP that they proposes to submit an application under Rule 10, seeking relaxation of sub rule (iv) of Rule 5 of the companies ( Issue of Capital ) Rules 1996, from the application of provisions of Rule 5(iv). And SECP was also informed that the application will be moved after the EOGM is held on 19 May 2008.

(13) But on 21 April 2008, 28 days before the due date of EOGM, JSCL submitted application to SECP not asking for any relaxation, but requesting SECP to approve issuance of 22.02 million shares under Section 86(1) .

(14) After 16 days, on 7 May 2008, JSCL sent a letter to SECP asking for relaxation from application of provisions of Rule 5(iv).

(15) On 17 May 2008, JSCL sent a letter to SECP committing that full 32.708 million right shares will be fully subscribed. But it was not the case, as 10.688 million shares to local was not subscribed as only about 8000 right shares were subscribed, and SECP did not take any action against JSCL .

(16) On 21 May 2008 and 28 May 2008 SECP allowed approval of the 22.2 million and 10.688 million right shares in relaxation of rules, though it is in SECP records that the share prices of JSCL fell by 57 % from 8 Jan 2008 at Rs 1326 to Rs 566 on 21 May 2008 ( the date of approval by SECP) and down to Rs 516 on 28 May 2008, knowing that foreign investors are not allowed to sell the share for 6 months after SECP approval.

(17) On Dec 31, 2008 the share process declined to the level of Rs 55 and the ten foreign sponsors investments values dropped by from Rs 10 billion to Rs 1.2 billion.

(18) The proof of illegal exemption granted to JSCL, are explained in SECP letter to NAB dated 2 Feb 2016. And SECP records reveals that such exemption was never given before, and this was a UNIQUE TRANSACTION.

(19) The artificially jacked up value of JSCL Share resulted in one individual Mr. Ali Jahangir on 30.6.2008 owning JSCL shares worth US \$ 648 million, over 82 million shares valued at Rs 530 per share. And on 31.1.2008, at market value of Rs 1326,82 Million shares were worth US \$ 1.745 billion.

(20) Market Capitalization of JSCL and JS Group companies was increased extraordinarily through price manipulation. JSCL company market capitalization that stood at Rs 19 Billion as at Jun 30, 2007 reached to the level of Rs 117 Billion as at June 30, 2008; and which again fall down to the level of Rs 17 Billion on June 30, 2009.

**Losses to Public in JSCL Share investment is over Rs 100 Billion ( \$ 1.47 Billion) and in JS Group Companies is over Rs. 133 Billion ( \$ 1.95 Billion),**

Below table capture the status of market manipulation:

Amount in PKR		
Market Capitalisation	JSCL	Total JS Group Including JSCL
30-Jun-07	19,145,000,000	105,645,666,417
31-Dec-07	82,220,607,700	206,458,056,957
30-Jun-08	117,703,903,000	240,772,510,915
31-Dec-08	42,003,590,059	107,468,100,988
30-Jun-09	17,700,586,107	57,313,945,764

(20) During that time other international stock markets also fell down, but they soon they recovered; however damage due to JS fraud was too enormous for Karachi Stock Exchange to absorb.

(21) The financial crisis of stock market of 2008 damaged KSE reputation internationally, affected confidence of the investors' particularly foreign investors and hence dented the national economy on a wider scale.

(22) Loss to Public Sector bodies on their Interment in JSCL is very large, and till now over Rs 12 billion loss is unearth. Full extent of loss will be known when all PSEs provide the data to

Name of Persons involved in Price Manipulation	JSCL	EFU Gen	EFU Life	BIPL	JSIL	JSGCL	ANL*
Jahangir Siddiqui Company Ltd(Holding Company)		X	X				X
Jahangir Siddiqui Sec Services Pvt Ltd	X	X		X		X	X
Jahangir Siddiqui & Sons Pvt Ltd	X	X					X
Mahvash Jahangir Siddiqui Foundation NGO	X					X	
Ali Jahangir Siddiqui		X		X	X	X	X
Jahangir Siddiqui	X						
Munaf Ibrahim (CEO JSCL)		X	X			X	X
Amina Wadlawala (Mother of Munaf Ibrahim)	X						
Mubina (Sister of Munaf Ibrahim)							
Saba (Daughter in law of Aziz Fida Husein)	X	X		X	X	X	X
Zehra (Daughter in law of Aziz Fida husein)	X	X			X		X
Crosby Dragon Fund	X	X		X	X		X
EFU Life Assurance		X				X	
EFU General Insurance	X		X			X	
Aziz Fida Husein & Company	X					X	X
Mehboob Ali Kalyar (P.S. to Jahangir Siddiqui)						X	X
Qurban Ali Kalyar (Brother of Mebob Klyar)		X					
Unit Trust of Pakistan, and its Funds			X	X			
BSJS Balanced Fund				X		X	
Umair Amanullah (Relative of Munaf Ibrahim)							
Khalid Rafi (Front of JS Group)	X	X					X
Nasreen Humayun Sheikh (Sponsors of ANL company)	X						X
Rubina Malkani (Wife of G.M.Malkani CEO JS Global Capital Ltd)	X						X
Shazia Sadiq (Front of Munaf Ibrahim as per ANL Report)		X					X
Sabrah Qamar	X	X	X				
Pakistan Kuwait Investment Company				X			
Suleman Lalani (JS Group employee)				X			
Khwaja Usman Arif				X			
Various Others	X	X	X	X	X	X	X

\* SECP has already done investigation and filed criminal complaint in Court for Fraud committed by JS Group

**IN THE COURT OF HONORABLE ADMINISTRATIVE JUDGE ACCOUNTABILITY COURTS**  
**PROVINCE OF SINDH KARACHI**

**Misc. Application No. NI/2015**

**Remand Report U/s 24(d) of NAO 1999 r/w Sec 167 Cr.PC**

**Dated 5.1.2016**

Case No.	:	231097/2015, NAB (Karachi)
Offence	:	U/s 9(a)(ii)(iii)(iv)(v)(vi)(ix)(x) & (xii) punishable U/s 10 of NAO 1999 r/w Sec 3 & 4 of AML 2010
Date & Time of case registration	:	18 Sep 2015 at 1100 hours.
Complainant	:	State through NAB Vs Dr. Asim Hussain & others Ziauddin Hospital Trust.
Place of occurrence	:	North Nazimabad Block-B, Karachi Clifton Block-6, Scheme-5, Karachi & various Deh's of Karachi
Accused persons	:	1. Dr. Asim Hussain (Arrested) 2. Abdul Hameed, Group Finance Advisor Ziauddin Group of Hospital and University (now Administrator Ziauddin Medical Centre Dubai) 3. Syed Athar Hussain, Director Land KDA.
Allegation	:	1. Fraudulent land allotment & encroachment of state land. 2. Fraud with public in the name of Trust. 3. Illegal gains 4. Money Laundering 5. Kickbacks & commission through fertilizer cartel for illegal & unjustified curtailment

		of gas for exploitative price hike & black-marketing in 2010 to 2012 & etc.
Amount involved	:	Rs.13 billion
Date of arrest	:	29 Nov 15, at 1157 hours.
Arrested from	:	PS Gulberg where accused was placed in custody in case No 197/15, PS North Nazimabad.

Respectfully Sheweth,

During the remand period the following progress has been made;

- a. In compliance to order of this court managed meeting of accused with his family. During meeting his family required details of information with regard to over invoicing in respect of patients of 56 government institutions /organization on pannel of Ziauddin Hospital w.e.f 2007 to 2015. So far Rs. 3 billion have been charged from Govt institutions & allegedly it has been done through over invoicing.
- b. Seized JIT report from Rangers.(Annex-A)
- c. Examined managers of ABL, Askari Bank & NBP who provided information with regard to accounts activity of accused. However approx 20 more banks & Financial Institutions are to be checked.
- d. Took accused to psychiatrist Dr. S.A Haroon at Hilal-r-Ahmed who checked him thoroughly. His examination report is to be submitted directly in the court through consultant upon his request.
- e. Interrogated accused who disclosed about another scam of Karach Stock Exchange collapse which happened to occur in 2008-09 because of right approved in favor of Jahangeer Siddiqui to the tune of US \$ 170 million. He

disclosed that he was privy to the effect that Jahangeer Siddiqui through one ex-DIG Malkani approached ex-Minister Syed Naveed Qamar for approval of right through SECP. Which was ultimately done in favor of Jahangeer Siddiqui through SECP illegally which resulted into severe loss to KSE. He admitted to have been in family friendship with ex-DIG Malkani for whom accused also extended his role in getting him right . He also stated that Malkani was either an employee or a partner with Jahangeer Siddiqui. Further details in above regard are being collected from KES & SECP respectively for perusal of competent authority & action as per law.

- f. Interrogated co-accused Syed Athar Ali, ex-Director Land. Who disclosed that as per law as amenity plot could not be allotted to a Hospital to be run on commercial basis nor it could be allotted without approval of governing body & other price committee of KDA. However in the instant case nothing as such was followed to its allotment was illegal ab-initio. Its restoration in 2002-03 was done on the basis of recommendation of committee headed by the Justice®Abdul Rehman. However he admitted that no law providing for such committee.
- g. Notice issued to Justice® Abdul Rehman for appearance .
- h. Seized record in 6x volumes from Mr. Aslam Manager Corporate Ziauddin Hospital. The record shows that as many as 56 government organization are on panel of Ziauddin Hospital from 2007 to 2015 total earnings from patient referred to Ziauddin accrued to Rs. 3 billion. Therefore verification with regard to over invoicing & falsification of accounts is to be carried out after seeking record from concerned government organization for comparison.
- i. Received record from Mari Gas Public Ltd which shows that in 2010 under the direction of DG has they curtailed gas from all fertilizers proportionately to be provided to Guddu Power Plant. But gas neither gas was provided to Guddu Power nor its curtailment was justifiable. Same record shows that again under the direction of DG Gas In 2013 diversion of gas to Guddu

Power was with drawn and given to Engro Fertilizer only.

The findings mentioned above corroborates the allegation of illegal gas curtailment to some fertilizers at the behest of other cartel for extraneous consideration. Accordingly justification has been sought from DG Gas through notice & personal appearance who is scheduled to appear on 5 Jan 16.

- j. Scrutinized the record & evidence with regard to SNGPL & Mari Gas
- k. Raided the house of accused Abdul Hameed where no one except one Driver was available & house was locked. Available driver disclosed that accused & his family have gone to Dubai. He was persuaded to convey the development to accused to join proceedings at the earliest. The specific room in use of accused was also found locked & driver had no keys available with him. So the only option remaining us to break open it for which permission of magistrate is being sought. Emailed call up notice u/s 19 of NAO 1999 to accused Abdul Hameed for joining of proceedings.
- l. Received call from corporate manager of Ziauddin Hospital who showed inability to provide required ledgers. He stated that available record do not tally with requisite details so they wanted to take print outs of computerized record for which he sought time. The record is yet to be received.

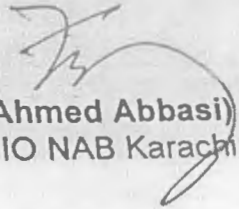
#### Action to be taken.

- a. Suspicious transaction reports raised by various banks in respect of accused Dr. Asim Hussain & co-accused Abdul Hameed, have been seized which require to be corroborated with already established finding of money laundering. So far 80 % work on the aspect is complete.
- b. Arrest of accused Abdul Hameed is being pursued with full efforts. However accused is constantly creating hurdles in his return because he apprehends provision of evidence against him. But his custody itself

creates pressure so absconding accused has now started contacting for showing up.

- c. Approx 20 banks, of insurance companies & financial institutions are to be examined with regard to account trail of accused.
- d. Evidence seized from manager corporate Ziauddin Hospital showed that as many as 56 Govt organizations were on pannel of Dr.Ziauddin Hospital. From period 2007 to 2015 hospital has changed Rs. 3 billion from various government organization. The bills so far produced by manager corporate show a pattern of over invoicing and mainly deceptive, for which he could not offer any justification except the fact that as per directors of accused Dr Asim Hussain, who is simultaneouſly medical Director of Ziauddin Hospital & draws salary of Rs. 2.5 million, they changed exorbitant rates from government institution, However list of patients is to be matched with that of govt organizations who had referred patients. Also the partial record has been so far provided by manager corporate Ziauddin Hospital which requires to be sought complete. Upon request of concerned corporate manager of Ziauddin Hospital time has been extended till 9<sup>th</sup> Jan 2016.
- e. DG Gas is to be examined on 5 & 6 Jan 16.
- f. Corroboration of suspicious transactions & cross movement of amount is to be discerned in the presence of accused.
- g. As daily ledgers of accounts have not been provided by manager accounts Ziauddin Hospital, the assessment of findings in bank accounts with Hospital record has not been done so far.
- h. Therefore it has to be done upon availability of record pledged to be provided on 8 Jan 16 where presence of accused would be imperative.
- i. After completing above steps further raids, arrests & recoveries are to be conducted/effectd/made upon pointation of accused.

... is prayed that 15 days remand w.e.f. 5 Jan 16 to  
19 Jan 2015 may kindly be granted in the interest of justice.

  
(Zameer Ahmed Abbasi)  
IO NAB Karachi



IN THE COURT OF ADMINISTRATIVE JUDGE,  
ACCOUNTABILITY COURTS, SINDH, KARACHI

(Remand Proceedings)

REFERENCE NO. NIL OF 2015

The State

Versus

Dr. Asim Hussain and others

Dr. Asim Hussain son of Tajumal Hussain..... ACCUSED

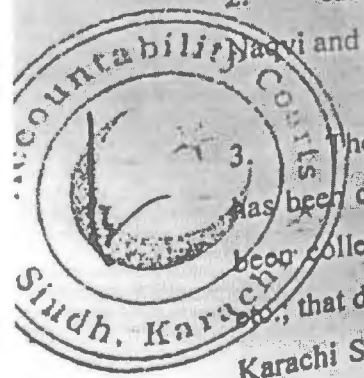
Syed Amjad Ali Shah, learned DPGA alongwith Mr. Muhammad Ihtisham Alam  
learned Sr. Prosecutor for NAB  
M/s. Anwer Mansoor, Amer Raza Naqvi and Shabeeh Ishrat Hussain, learned  
advocates for accused Dr. Asim Hussain.

ORDER  
05-01-2016

This application under Section 24(d) of National Accountability Ordinance, 1999 is filed by the Inquiry Officer Zameer Ahmed Abbasi of NAB through Mr. Muhammad Ihtisham Alam learned Senior Prosecutor NAB for 15 days NAB custody remand of accused Dr. Asim Hussain. The accused is produced in NAB custody and he did not complain of any maltreatment at the hands of NAB.

2. Heard Syed Amjad Ali Shah, learned DPGA for NAB and M/s. Amir Raza Naqvi and Anwer Mansoor, learned advocates for accused.

3. The learned DPGA with the assistance of VO submits that 80% of money trail has been completed in the matter of money laundering; that substantial material has been collected with regard to kick-backs and Commissions through fertilizer cartel etc., that during further inquiry/ investigation accused has disclosed about the scam of Karachi Stock Exchange collapse which occurred in 2008-2009 because of right up approved in favor of Jahangeer Siddiqui to the tune of 170 million US Dollars; that accused has further disclosed that he was privy to the effect that Jahangeer Siddiqui through one ex-DIG Malkani approached ex-Minister Syed Naveed Qamar for approval of right through SECP which was ultimately done in favor of Jahangeer Siddiqui through SECP illegally which resulted into sever loss to the Karachi Stock

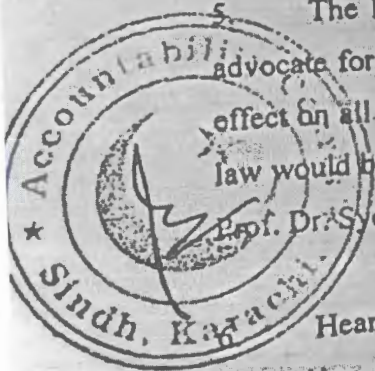


Exchange; that statement of witnesses have been recorded; that record collected from Ziauddin Hospital shows that as many as 56 Government Originations are on the penal of Ziauddin Hospital and from 2007 to 2015 the hospital has earned more than 3 billion from the said Originations by excessive billing; that accused was produced before Dr. Syed Haroon Ahmed for examination and report; that in order to further inquire into the matter of gas curtailment from Gaddu Power plant and its supply to the Engro Fertilizer only D.G Gas has been called through notice and his appearance is scheduled on 05-01-2016; that record of Mari Gas and SNGPL has been securitized; that custody of accused is required for further inquiry into the matter as the allegations against him are of serious nature and voluminous record has been collected and lot of record is yet to be collected and confronted to accused. He prayed for 15 days further NAB custody remand of accused for further inquiry in the matter. He also produced case diaries before this Court for inspection which are returned to him after examination.

4. Learned advocates for accused, on the other hand, opposed the grant of NAB custody remand and prayed for judicial custody of accused. They further submit that accused is no more required for inquiry/investigation; that no progress has been made by the I/O during remand period; that accused was produced before Dr. Syed Haroon Ahmed and the NAB may be directed to act according to his advice.

5. The learned DPGA, while rebutting the arguments advanced by the learned advocate for accused, submits that National Accountability Ordinance has overriding effect on all the other laws hence the protection available to accused under any other law would be of no benefit to him and NAB is ready to act according to the advice of Prof. Dr. Syed Haroon Ahmed,

Heard both the parties and perused the record. It appears from the record that allegations against accused are that of corruption and corrupt practices and his involvement into Trust fraud, misuse of trust for hiding illegal gains and money laundering, land grabbing, illegal land allotments, kick-backs and Commissions through cartel of Fertilizer etc. The record produced before me shows that substantial progress has been made by the I/O during remand period. Keeping in view nature of allegations and progress made by I/O 14 days' further NAB custody remand of accused Dr. Asim Hussain son of Tajamul Hussain with effect from 05-01-2016 to



18-01-2016 (both days inclusive) is granted. The report of Prof. Dr. Syed Haroon Ahmed has been received to this Court directly wherein he has advised some treatments/tests for accused. The inquiry/investigation officer is directed to act according to the advice of Prof. Dr. Syed Haroon Ahmed. The Investigation Officer is further directed to produce accused along with progress report on 18-01-2016 without fail. Let copy of this remand order be sent to Hon'ble High Court of Sindh Karachi in terms of section 24(d) of National Accountability Ordinance, 1999.

Order accordingly.



*-sd/-*  
3/1/2016  
(MUHAMMAD SAAD QURESHI)  
ADMINISTRATIVE JUDGE  
ACCOUNTABILITY COURTS  
SINDH KARACHI  
DATED: 05-01-2016

Certified to be true copy

*[Signature]*  
Registrar 6/1/16  
Accountability Courts  
Sindh, Karachi.