

Dated April 15, 2024

The Departmental Head (HR),  
EOBI Head office,  
Karachi.

Subject: Facts Finding Inquiries – office order No.218/2019 dated 27.12.2019  
&Re-inquiry – order No. 293/2023 dated 21.11.2023 ... UBL Scam  
“Illegal Purchase of UBL’s Shares – Rs. 5.12 Billion against the permissible limit Rs. 1.60 Billion – Loss Rs. 3.18 Billion &fake profit entry in Accounts Rs. 5.57 Billion (reversed on Govt Auditor’s Report)”

Sir,

With veneration, by this 3rd reminder, I recapitulate one of the corrupt practices of Billion Rupees pending with you from 2019. Annex A

2. At the out set, Whistleblowing Inquiry on UBL Scam was conducted vide office order No. 218/2019 dated 27.12.2019.
3. Inquiry Committee submitted Report in June, 2020 and proved 100% correct as well as verified whistleblowing information. Annex B + D
4. The report was stolen in HR Dept after keeping dormant for 3 ½ years.
5. Inquiry Committee refused providing copy for reason best known to them.
6. Re-inquiry with managed ToR was notified by office order 293/2023 dated 21.11.2023 with direction to submit the report within 15 days. Annex e
7. I raised objections to you through my official letter No. EOBI/AA1/2023/519 dated 24.11.2023 and reminder dated 18.12.2023.
8. On the request of Chairperson Secretariat, I did not forward the “Advance copy” of above letters/objections to NAB, AGP, M/o OP&HRD etc. But the commitment of completion of inquiry within 15 days on merit could not be fulfilled till date. Director (Co-Ord) Chairperson Sectt. has witnessed it.
9. After promotions of Delinquents of Billion Rupees, it emerged that the conspiracy of Re-inquiry in November, 2023 was basically for creating time/space to promote the culprits in December, 2023... nothing else.
10. Issues of Non-conclusion of Re-inquiry report after 5 months, misplacing of earlier Report after 3 ½ years and Promotions of culprits are self-explanatory.
11. It is therefore, requested 3rd time to conclude so-called Re-inquiry, probe the stealing of earlier report and promotions of culprits.

(M. Ayub Khan)

Dy DG/Adjudicating Authority-1 (Retd)

Phone No. 0333 2106328

Copy to:

- i. Chairman, NAB – apart from UBL Scam, criminal-abetting role of HR Dept “from managed posting/promotions to safely escaping of culprits” of Billion Rupees needs to be probed. HR Dept is also criminally silent on missing of record and Fraud with NAB, PAC/DAC, M/o OP & HRD etc in Scam of Bank of Punjab, which established in its own Inquiry Reports. Annex D + E

with 07 pages report

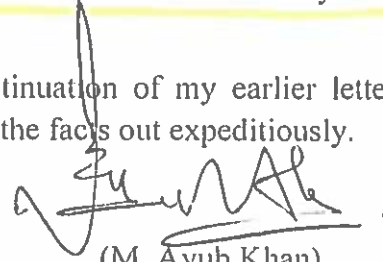
- ii. Honorable Federal Secretary/Chairman EOBI – Date-wise List of all pending Departmental and Facts Finding Inquiries with columns of justification of inordinate delay & fixing of Responsibility is requested.

Federal Govt dismissed from service the ex-Chairman and DG (F&A) on corruption & illegalities in EOBI. But HR Dept officers have been managing to escape the culprits of Billion Rupees (EOBI's officers only) by stealing/keeping dormant Inquiry Reports.

- ✓ *icc* Transparency International Pakistan, Karachi – for sorting out corrupt practices/losses under your CVAC & CVGGA Projects.

Moreover, Direct, indirect and circumstantial evidences establish criminal role of Mr. Azhar Hammed, ex-Chairman & others and Mrs. Nasira Parveen as DG (Inv), DG (F&A) & DG (HR) with connivance of few officers of HR Dept. The corrupt practices/losses of EOB Fund, belonging to Old-agers, Widows, Orphan & Disabled, can be estimated conservatively more than Rs. 50 Billion.

- iv. Auditor General of Pakistan – in continuation of my earlier letter dated 20.2.2024, reminding softly for sorting the facts out expeditiously.



(M. Ayub Khan)

Dy DG/Adjudicating Authority-1 (Retd)  
Phone No. 0333 2106328



**EMPLOYEES' OLD-AGE BENEFITS INSTITUTION**  
**EOBI HEAD OFFICE, KARACHI**  
HUMAN RESOURCE DEPARTMENT

Ref No. HO/HR/DAL/FFI/2019/1098- Karachi the 27 December, 2019

*Annex-A*

OFFICE ORDER NO. 218/2019

The following Inquiry Committee is hereby constituted to hold a "Fact Finding Inquiry" on the "Illegal purchase of UBL's Shares - Rs. 5.12 billion against the permissible limit of Rs. 1.6 billion - loss of Rs. 3.18 billion" and to fix the responsibility against the responsible employee(s):

*Confirmed  
Rs. 3.80 B*

1. Mr. Bilal Azmat Khan, Director (F&A)
2. Mr. Imran Mohsin, Dy. Director (Reconciliation)

2. The Committee shall submit its report with clear fixation of responsibilities, within fifteen (15) days.

3. This issue with the approval of the Chairman EOBI.



*Tahir*

(Tahir Siddique Chaudhary)  
Assistant Director (HR)

Distt.

1. All Divisional, Departmental Heads.
2. DDG(IT) for placing on intranet.
3. Director (Coordination), Chairman's Secretariat.
4. DD(E-I), DD(E-II)
5. Concerned Officer(s).
6. Senior Assistant (DAL) with the direction to provide complaint dated 16.10.2019 along with annexures of Mr. M. Ayub Khan, DDG(F&A)(under suspension) to the Inquiry Committee.
7. Office Order/Master File.

*- It is a whistleblower's application.*  
*- Loss/violation of Rule - Rs. 3.80 billion established in inquiry report.*  
*- <sup>Silence</sup> silence of EOBI since 2019 on completed report tantamount to support crimes.*

*By: Dy. Dir. Authority*

EMPLOYEES' OLD-AGE BENEFITS INSTITUTION  
INTERNAL AUDIT DEPARTMENT  
HEAD OFFICE, KARACHI.

*Annex-B*

From: DDG (Internal Audit)  
Head Office, Karachi.

To: DDG (HR)  
Head Office, Karachi

Ref. No: HO/IA/2022/ 39

Date: March 01, 2022

Subject: EXTENSION OF TIME OFFICE ORDER NO.218/2019 – UBL INQUIRY

Please refer your reminder-II, No. HO/HR/DAL/FFI(UBL)2022/388 dated 25-02-2022 on the subject matter.

It is for your kind information that the said report has already been submitted to HR in June 2020.

*Bilal Azmat Khan*

Bilal Azmat Khan  
Ofg. DDG (Internal Audit)

Copy to:

DG (HR)  
Mr. Muhammad Amir Javed – Committee Member  
Director Coordination – Chairman Secretariat

EMPLOYEES' OLD-AGE BENEFITS INSTITUTION  
EOBI HEAD OFFICE, KARACHI

HUMAN RESOURCE DEPARTMENT

Ref. No.HO/HR(DAL)FFI(UBL)/2023/1550-  
Dated: November 21, 2023

Office Order No. 293/2023

Annex-C

Pursuant to Office Order No.218/2019 dated 27.12.2019 read with Office Order No.21/2020 dated 11.02.2020, an Inquiry Committee has been re-constituted to hold a "De-novo Fact Finding Inquiry" on "Illegal Purchase of UBL's Share", comprising of the following officers:

- ✓(i) Mr. M. Amir Javed, Offg. Director (F&A), Head Office
- (ii) Mr. Saqlb Hussain, Asstt. Director (Internal Audit), Head Office

TORs of De-novo Inquiry Committee

- a) The committee shall examine the complaint dated 16.10.2019 regarding Purchase of UBL's Share – Rs.5.12 billion and determine as to how this decision was taken;
  - b) Which particular forum took the decision and whether the decision was in accordance with EOBI Rules/Regulations and determine the deviations and losses;
  - c) To fix the responsibility against the members/officials, if any deviation of rules & losses has occurred.
2. The committee is required to submit its report within 15 (fifteen) days from the date of issuance of this Office Order.
3. This issues with the approval of Chairperson, EOBI.



*(Signature)*  
(Shakir Ali)  
Deputy Director (HR)

Cc to:

- 1. All Divisional/Departmental Heads
- 2. DDG (IT) for placing on Intra-net
- 3. Concerned members of Inquiry Committee
- 4. Senior Assistant (DAL) with the direction to provide complaint dated 16.10.2019 alongwith its enclosures of Mr. Muhammad Ayub Khan, DDG to the Inquiry Committee.
- 5. Director (Coordination), Chairman's Sectt. Head Office, Karachi
- 6. Office Order file

Annex - D

Criminal silence on Whistle Blowing Scam of UBL  
&  
support at different level of hierarchy in EOBI  
**UBL Scam - Rs. 5.18 Billion**

#	Violation / Irregularities/ Fraud	UBL	Remarks
1.	Investment Rules - 3(f), 4 (2) etc. Violation of Investment Rules Rule-2 (q), 3 (g), 4 (2), 5 (1)(2)(3)	Yes Rules Grossly Violated	Purchased Rs. 5.18 Billion ... While limit as per Rules was ... Rs. 1.60 Billion 324% excess of approve limit.
2.	Board decisions	Yes	Buy Rs. 42 Billion ... limit ... Rs. 26 Billion
3.	<b>Individual and total diminution of value (AGP/EOBI reports)</b>	<b>3.80 Billion</b>	<b>UBL Tenure Loss (AGP) = Rs. 29 Billion</b>
3.	Federal Govt. direction	Yes	UBL - Fraud established with Inv. Com.
4.	IAS-39 adopted by Board specifically	Yes	Deception with Investment Committee
5.	Fake entry in Books of Accounts Rs. 1.20 Billion	Yes	Reversed on AGP's Report and Annual Accounts qualified by Statutory Auditor.
6.	Posting of non-cadre, junior officers	Yes	Experts 6 Managers & 6 Dy Managers appointments were avoided. Purchased through IT & OPs cadre ADs.
7.	Violation State Bank Rules	Yes	SBP permission needed on above 10% share
8.	Audit Committee of Board's Objections	Yes	7 <sup>th</sup> , 9 <sup>th</sup> & 10 <sup>th</sup> Audit Committee minutes.
9.	Board refused to ratified IC minutes.	Yes	Minutes of IC 122 to 129 related to BoP/UBL
10	Record of analysis, bases of decision making, minutes decision makers etc.	Mis-placed	No record of Rs. 5.18 Billion found in Inv. Deptt, F&A provided partial record to IO.
11	Concealment/fraud with DGs, Board, IC, Chairman, DAC, PAC, Govt, NAB	Yes 100%	Confirmed in Inquiry reports.
12	Suspicious/fake Inv. Comm. minutes	Yes	Signed by UBL delinquent against Rule
13	Action by EOBI against culprits	No	Fact Finding Inquiry Report has been misplaced after keeping dormant for three years.

**Executive Summary – Para-150 (2008-9)**

Ref:(i) Findings of Ministry (PAC)'s Inquiry report (ii) EOBI Inquiry Reports  
 (iii) Official Confession Report submitted to NAB with approval Chairman.

“The shares have been purchased in violation of Rules as laid down in Investment Rules”

**Nutshell of violations of Investment Rules, 1979 only:**

Company	Investment Rules Violations	Allowed Limit	Shares Purchased violating Investment Rules	Profit/Loss
Bank of Punjab	Rules- 4 (2) Rule-2 (q) (i), 3 (g), 4 (2), 5 (1)(23), IAS- 39 and Rule – 6 (even without approval of Federal Govt)	25% of Paid-up capital	400% of Paid up capital.  Limit =Rs. 1.05Billion  Shares Purchased ... Rs.4.30 Billion  Market value is now = Rs. 300 Million. (Current market rate)	<u>Original loss</u>  Rs. 4.00 Billion. (current market)  <u>With opportunity cost:</u>  Rs. 12 Billion (approx.)
Macpac Film	Rules – 3(f), 4 (2) Rule - 2 (q), 3 (g), 4 (2), 5 (1)(2)(3), IAS-39 and Rule – 6 (even without approval of Federal Govt)	25% of Paid-up capital	46% of Paid up Capital (approx.)	Continuously in Loss from 2003 to till now.
SSGCL	Rule-3 (f), 2 (i), 3, 2 (q), 3(g),IAS-39 (adopted by BoT specifically)	20% EPS	14.9% on June 30, 2003  (illegal 15 Million share in 2004-5 purchased & observed in annual audit 2007-8)	Overall Net loss needs to be checked/ calculated.
Shell Pak	Rule-2 (q), 3 (g), 4 (2), 5 (1)(2)(3) IAS-39	25% of Paid up Capital	50% of Paid up capital (approx.)	Overall profit/loss needs to be checked/calculated
Telecard	Rules-3 (g) and 2(q), IAS-39 (adopted by EOBI Board of Trustees)		401,600 shares having worth Rs. 10.924 Million were received in 2003-4 in plea bargain through NAB in Scam of Repo deal.  EPS of Telecard remained below 20% during five years: Year: 2003-4 2004-5 2005-6 2006-07 2007-8 EPS : 1.27 1.13 (.18) (1.31) (1.69)	
			Strategically, Technically and legally, it was not advisable	

		<p>to shift Telecard shares to Strategic Investment Portfolio.  Original loss = Rs. 10.424 Million  With Opportunity cost = Rs. 31 Million (approx.)</p> <p>Furthermore, actual recovery to EOBI from the Scam of Repo deal remained 794.502 Million instead of 804.926 Million.</p>
<p><b><u>Auditor's observation on losses besides 20% EPS:</u></b></p> <p>"The main reason of the losses was that the <b><u>proper evaluation was not carried out</u></b> while finalizing the purchase of these shares."</p>		<p><b>Facts:</b></p> <ul style="list-style-type: none"> <li>• Proper evaluation, research report, <u>analysis of fundamentals and minutes of Executive Committee/Transaction Execution Committee's meetings</u> before purchasing of shares of Billion rupees are not available.</li> <li>• EOBI purchased first share on <u>Rs. 108 and last on Rs. 33</u> ... namely ... <u>Everyone was on selling mode and EOBI was on buying mode by hook &amp; crook for reasons best known to non-cadre decision makers.</u></li> <li>• The market panic reports in national press/TV about the Scams of illegal loans, MD of BoPetc were also ignored.</li> <li>• Other circumstantial evidences like decision making by non-cadre, junior, inexperience officials also support the contention of Auditor.</li> </ul>
<p><b><u>Violations</u></b> of "Investment Policies &amp; Procedures"/ 'Standard Operating Procedures &amp; Documentation' and "Operating Manual"</p>		<p>The above shares were purchased against the normal investment basics, Investment Policies &amp; Procedures, Standard Operating Procedures &amp; Documentation and Operating Manual duly approved by Board of Trustees.</p> <ul style="list-style-type: none"> <li>▪ No minutes of purchasing Committee meetings held for purchases of BoP,</li> <li>▪ No record of analysis of fundamentals of BoP'.</li> <li>▪ No research reports &amp; bases for such huge investments are available.</li> <li>▪ Shares were purchased with out proper evaluation ... <u>for example</u></li> </ul> <p>70 Million shares in Trading Portfolio which were required to sale out within one year for profit taking ... quantity and purchasing cost ... EOBI could never be able to sale out shares of BoP.</p> <p>The Pakistan Stock Exchange crossed 100 Index at 58,000 ever highest in the history ... while BoP shares are decreasing day by day.</p> <p><u>Price per share on 24.11.2023 is Rs. 4.92</u>  EOBI average cost is above Rs. 60.00</p> <p><u>There is no option with EOBI except confirmed loss of Rs. 4.00 Billion original and Rs. 12 Billion with Opportunity cost.</u></p>
<p>Note: <u>The dissenting Note of then DG (Inv)/IA is not correct. He was kept in dark by EOBI officials</u></p>		



<p style="text-align: center;">NAB Recovery of Rs, 750 Million in BoP Scam to Bank of Punjab Criminal silence in EOBI on BoP Scam – Rs. 4.3 Billion &amp; illegal support of culprits, misstatement and concealment of Facts to NAB, PAC, DAC, Federal Govt, Ministry, Board despite of official Confession Report submitted to NAB.</p>			
#	Violation / Irregularities/ Fraud	BoP	Remarks
1.	Investment Rules – 3(f), 4 (2) etc. Violation of Investment Rules Rule-2 (q), 3 (g), 4 (2), 5 (1)(2)(3)	Yes Rules Grossly Violated.	Purchased Rs. 4.3 Billion ... While limit as per Rules was ... Rs. 1.05 Billion 400% excess of limit.
2.	Board decisions	Yes	Purchases Rs. 42 Billion ... While limit was ... Rs. 26 Billion
3.	<b>Individual and total diminution of value (AGP/EOBI reports)</b>	<b>3.80 Billion</b>	<b>BoP Tenure Loss (AGP) = Rs. 29 Billion</b> <b>BoP - with opportunity loss = 12 Billion</b> <b>Established in inquiries of PAC, Ministry &amp; EOBI.</b>
3.	Federal Govt. direction	Yes	BoP - Fraud established with Federal Govt.
4.	IAS-39 adopted by Board specifically	Yes	Deception with Investment Committee
5.	Fake entry in Books of A/csRs. 5.57 B	Yes	Reversed on AGP/Qualified Final Accounts.
6.	Posting of non-cadre, junior officers	Yes	Experts 6 Managers & 6 Dy Managers appointments were avoided. Purchased through IT & OPs cadre ADs
7.	Violation State Bank Rules	Yes	SBP permission needed on above 10% share
8.	Audit Committee of Board's Objections	Yes	7 <sup>th</sup> , 9 <sup>th</sup> & 10 <sup>th</sup> Audit Committee minutes.
9.	Board refused to ratified IC minutes.	Yes	Minutes of IC 122 to 129 related to BoP/UBL
10	Record of analysis, bases of decision making, minutes decision makers etc.	Mis-Placed	No record of Rs. 4.3 Billion found in Inv. Deptt, F&A provided partial record to NAB.
11	Concealment/fraud with DGs, Board, IC, Chairman, DAC, PAC, Govt, NAB	Yes 100%	Confirmed in Inquiry reports and official confession to NAB by same Asstt. Director.
12	Suspicious/fake Inv. Comm. minutes	Yes	Signed by BoP delinquent against the Rule
13	Charge sheets issued due to pressure of NAB. Mrs. Nasira Parveen, DG (F&A) kept pending Departmental inquiry for 03 years with mala fide intention. And then refused, because ... as Convener of DPC, she had to promote Charge sheeted officer first time in history of EOBI.		



**EMPLOYEES' OLD-AGE BENEFITS INSTITUTION**  
**EOBI HEAD OFFICE, KARACHI**  
**HUMAN RESOURCE DEPARTMENT**

Ref. No. HO/HR/DAL/FFI(BOP)/2019/253 - Dated : 28, November, 2019

**OFFICE ORDER NO. 197-12019**

Mr. Muzammil Kamil Malik (P. No. 923182), Deputy Director, Regional Head, Regional Office Karimabad Karachi is hereby appointed as Inquiry Officer to hold a "Fact Finding Inquiry" on the issue of following missing files for purchase transactions of shares of The Bank of Punjab during the financial year 2007-08, and to fix the responsibility against the responsible employee(s), if any:

1. Serial No. 2, File No. NIL dated 27-Feb-08 for purchase of 1,557,200 shares for amounting to Rs. 165,354,637/- of M/s Global Securities (Brokerage House)
  2. Serial No. 6, File No. NIL dated 27-Feb-08 for purchase of 500,000 shares for amounting to Rs. 53,417,982/- of M/s Al Habib Capital Markets (Brokerage House)
  3. Serial No. 40, File No. 343/2007-08 dated 07-May-08 for purchase of 1,066,900 shares for amounting to Rs. 55,806,990/- of M/s ACE Securities (Brokerage House)
  4. Serial No. 43, File No. 347/2007-08 dated 23-May-08 for purchase of 1,300,000 shares for amounting to Rs. 62,198,536/- of M/s DJM Securities (Brokerage House)
2. The Inquiry Officer shall submit its report within (3) days latest by 2<sup>nd</sup> December, 2019 positively.
3. This issues with the approval of Chairman EOBI.



*M. Qureshi*  
Qadeer Qureshi  
Director (HR)

**DISTR.**

1. All Divisional/Departmental Heads.
2. DDG(IT) for placing on Intranet.
3. Director (Coordination), Chairman's Secretariat.
4. Dy. Director (P&T)/AD(Policy)
5. Master/Personal File.

**INQUIRY REPORT  
ON THE ALLEGATIONS**

**“Misstatements/Concealment of Facts to sabotage the Inquiry ordered by PAC/DAC & its ultimate submission to NAB In DoP’s investigation.”**

The Chairman EOBI being competent authority constituted an Inquiry Committee vide office order No. 172 dated September 6, 2018 to examine the complaint of Mr. Muhammad Ayub Khan, Deputy DG (F&A) under suspension on the subject matter. The Inquiry Committee comprised of Mr. Bilal Azmat, Director (F&A), Finance & Accounts Department and Mr. Muhammad Salahuddin, officiating Director (Audit) Internal Audit Department, Head office, Karachi.

**BRIEF BACK GROUND OF THE COMPLAINT:**

The applicant Mr. Muhammad Ayub Khan, DDG (F&A) under suspension claimed that misstatement/concealment of facts from PAC, DAC, Federal Government and the NAB in inquiry of Bank of Punjab have been observed.

He has already provided the true picture of Bank of Punjab to the Chairman while comparing to Amtex in representation dated 16.03.2017 and verbally briefed the DG (HR) and DDG (HR with documentary evidences even in 2018 (after initiating NAB inquiry) with respect of similar treatment but instead of separating the involved officers from the job assignment, they were allowed to deal it with NAB and the result is in the shape of misstatement/concealment of facts before NAB. Least to say, Inquiry Report sent to NAB in the 2<sup>nd</sup> week of August, 2018 with incorrect information.

He stated that, it is apprehensive that the record will have either been tempered or misplaced by the involved officers. The stance of management in respect of Amtex, Macpac and Bank of Punjab is discriminatively different.

He Further, pointed out in his representation dated June 19, 2018, the Amtex case was a political motivated one... bullfighting between JS Group and AKD.. and EOBI perhaps put forward as scapegoat while the position of Bank of Punjab appears a reality and the wrong information is evident that someone is still behind it.

He added that the Amtex case is ditto copy of Macpac but in Amtex case, the EOBI appointed an advocate to fight alongside of FIA against KDA and honest officers of EOBI while in Macpac case not only the EOBI reported that everything is okay but FIA also turned deaf ear to it. The different stance of EOBI in Amtex, Macpac and Bank of Punjab is evidence of something wrong somewhere.

**FACTS RELATED TO BANK OF PUNJAB:**

Auditor General of Pakistan during Annual Audit for financial year 2008-09 observed losses of Rs. 4.826 Billion and the same was reported to PAC/DAC under No. Para-150, given the following observation:

"The main reason of the loss was that the proper evaluation was not carried out while finalizing the purchase of these shares. The EPS was less than 20%."

DAC ordered inquiry as under on 30.4.2015:

"DAC shown serious concern on non-implementation of PAC/DAC directives. The chair constituted committee comprising of CF&AO from Ministry and DG (Inv.) from EOBI to probe the matter as per earlier directives of PAC/DAC."

Inquiry Team constituted by the Ministry of OP&HRD, Islamabad:

- Ministry ... CF & AO, (Audit & Accounts Group)  
Deputy Secretary (B&A)  
Section Officer (F&A)
- EOBI DG (Investment)/Investment Adviser.

Report conclusion:

"Action may be taken against the persons who were at fault"

The dissenting Note of DG (Inv) EOBI:

"No action therefore seems warranted against EOBI officers."

The applicant mentioned in his note that DG (Inv.) was in fact a Secretariat Group officer, relied only on requirement of 20% EPS and ignored the reason of loss "the proper evaluation was not carried out"... it is quite possible that the officers of Investment Department provided the partial/wrong information to him.

Proceedings of Inquiry:

In compliance of HR office order No. 172 dated September 6, 2018, the meetings of Inquiry Committee were held on 06.09.2018, 10.09.2018, 24.09.2018 and 08.10.2018. The information/documents were collected from Investment Department and F& A Department vide e-mail dated 07.09.2018, 24.09.2018, 28.09.2018 and 03.10.2018. The record provided to NAB including Inquiry Report of the Ministry was received from Investment Department and examined finally on 08-10-2018:

Allegation-wise verification of concealment and misstatement of facts:

Allegations of Misstatement/ Concealments related to BoP.	Verification and Findings of Inquiry Committee
Allegation No. 1.	The BoP shares were purchased under Investment Rule-3 (f) with applicable investment limit mentioned in Rule - 4

<p>The shares of BoP were purchased under applicable limit prescribed under Investment Rule-4 (2), whereas the inquiry Committee of the Ministry was reported that the Investment Rule 4 (iv)(a) was applicable in case of 70.70 Million shares of BoP amounting to Rs. 4.31 Billion.</p>	<p>(2). Rule-4 (2) says "No investment made in any corp. corporation, company or schedule commercial or Islamic bank under clauses (c), (e) and (f) of Rule-3 shall exceed twenty five per cent of its paid up capital or twenty five per cent of its net worth in Pakistan, ten per cent of the fund size in case of investment in mutual funds under clause (j) or two and half per cent of the portfolio, whichever is less."  Rule-4 (iv) (a) says "For investment clause (g), - (a) in respect of any controlled company or a company in which the Institution has strategic holding, ten per cent of the portfolio." (Investment Rules, Annexure 'A')  <u>Findings of the Committee:</u>  The shares of BoP were purchased in Trading portfolio and later on transferred to strategic Portfolio in 129<sup>th</sup> Meeting of Investment Committee held on 06.05.2008 (Annexure 'B'). At that time when shares were purchased, the BoP was neither a controlled company of EOBI nor there was any strategic holding; so the limit of Rule-4 (2) is applicable.  The allegation No. 1 established.</p>
<p><u>Allegation No. 2</u>  The shares of BoP were purchased in '<u>Trading Portfolio</u>' but as per information provided to the inquiry committee of the Ministry, the shares were purchased in '<u>Strategic portfolio</u>'.</p>	<p>The detail provided by Investment Department, annexed with the Inquiry report of Ministry reveals that the shares of BoP were purchased in Strategic portfolio.  <u>Findings of the Committee:</u>  The shares were purchased in Trading Portfolio and later on shifted to Strategic Portfolio in 129<sup>th</sup> Investment Committee Meeting held on 06.05.2008 (Annexure 'B'). The chartered accountants also qualified the shifting of trading portfolio to strategic portfolio in its report for Annual Accounts 2007-08. (Annexure 'C')  So the allegation No. 2 established.</p>
<p><u>Allegation No. 3.</u>  It was reported to the Inquiry</p>	<p>The EOBI Investment Rule-4 (2) already reproduced at allegation No. 1. The limit of investment was 25% of paid up capital. (Annexure 'A').</p>

<p>Committee that (25% of net worth) i.e. 4.7 Billion is applicable. Whereas, the applicable limit was 25% of paid up capital i.e. 1.06 billion against the investment of Rs.4.31 billion.</p>	<p>Findings of the Committee:</p> <p>The Rule-4 (2) says whichever is lower between paid up capital and net worth so limit of 25% of Paid up capital amounting to Rs. 1.06 Billion was applicable. (Annexure 'D')</p> <p>As such the allegation No. 3 established.</p>
<p><u>Allegation No. 4.</u></p> <p>The adjusted Book value (market price on 30<sup>th</sup> June) in 2016 was Rs. 0.5 Billion (approx.) but the book value of Rs.2.20 was given to inquiry committee of Ministry.</p>	<p>Findings of the Committee:</p> <p>The Investment Department provided the Book Value of BoP as on June 2008 in 2016 to the Inquiry Committee whereas the book value as on June 2016 was Rs.0.56 Billion approx. (Annexure 'E' &amp; 'E1')</p> <p>However, the allegation No. 4 is not established to the extent of allegation leveled.</p>
<p><u>Allegation No. 5.</u></p> <p>EOBI Board allocated 20% of portfolio to be invested in equity, which was Rs. 26.2 Billion but total investment in equity in financial year 2007-08 was Rs. 41 Billion. The excess investment of (Rs. 41)- Rs. 26.2) 14.8 including BoP was almost loss to the Institution. The allocated quota and its violation were concealed from PAC/DAC and inquiry committee of the Ministry.</p>	<p>The Board of Trustees enhanced the earlier 10% allocated quota up to 20% of the portfolio in its 80<sup>th</sup> Board meeting held in 30<sup>th</sup> October, 2007 (Annexure 'F'). In 81<sup>st</sup> Board meeting held on 30<sup>th</sup> June, 2008, took the following decision:</p> <p>"After due deliberation the Board declined any further change in allocation of quota. The Board however, regularized the excess investment in equity in 2007-08 up to Rs. 1771.014 million left over and above of limit of Rs. 38.2 Billion in view of special circumstances and further directed the management of EOBI that the same be brought down to the level as authorized by the Board. The Board also directed the management not to make any such violation in future which, if occurs, will not be regularized." (Annexure 'G')</p> <p>Findings of the Committee:</p> <p>The allocated quota for financial year 2007-08 was 20% of the portfolio as per 80<sup>th</sup> BoT minute, para 24.</p> <p>As regard to Rs. 38.2 Billion mentioned in 81<sup>st</sup> Board meeting, it was calculated on 25% instead of 20% as per 80<sup>th</sup> BoT meeting. The asset allocation was presented 25% against equity in 81<sup>st</sup> BoT meeting.</p>

Allegation No. 6

Fake entry in Book of Account of Rs. 5.57 Billion was concealed from PAC/DAC and inquiry committee constituted by controlling Ministry.

The Commercial Auditor report confirmed the fake entry incorporated in books of account during 2007-08 and was reversed on his recommendation but action against responsible is still pending.

Further, The Internal Inquiry report on fake/overstated entry of Rs. 5.57 Billion needs to be preserved.

So, the allegation No. 5 established to the extent of above mentioned facts i.e. as per approved minutes of BoT.

Findings of the Committee:

Record was not provided by ABR Section and Investment Department to the Committee. However, as per 85<sup>th</sup> BoT meeting the income was overstated for Rs.5.57 Billion and the Board approved the downward revision of DSCs income by Rs.5.57Billion. (Annexure 'H')

Allegation No. 7

State Bank prior permission is required for investment in shares of more than 10% in any commercial bank, which was not obtained in case of BoP. It was also concealed from PAC/DAC, inquiry committee of Ministry and ultimately from NAB.

No such record is available in both Investment and F&A Department.

Findings of the Committee:

Due to time constraint, it was difficult to confirm such requirement from State Bank of Pakistan.

So the allegation No. 7 cannot be verified on the basis of available record.

Allegation No. 8

The steric (BoP\*) in statement provided by Investment Department to PAC/DAC, Ministry Inquiry Committee and subsequently to NAB with a note..."\*Not an investment but received as result of plea bargain assets from accused through

The enclosure attached with the report of Inquiry Committee constituted by controlling Ministry revealed steric (\*) with the following note:

\*Not an investment but received as result of plea bargain assets from accused through NAB."

Findings of the Committee:

The steric (\*) was put on 'Telecard' and 'BoP'. The only

<p>NAB." is intentional concealment of facts from NAB.</p>	<p>Telecard shares were received in plea bargain. The BoP was not included in the plea bargain of NAB and therefore, the permissible investment rule 4(iv)(a) was quoted in front of BoP. (Annexure 'I')</p> <p>Hence, the allegation cannot be verified.</p>
<p><u>Allegation No. 9</u></p> <p>The irrelevant calculation under Investment Rule-4 (3) from 2002-03 to 2007-8 was provided to the Inquiry Committee for confusion and to show that everything is in range.</p>	<p>Findings of the Committee</p> <p>It cannot be determined that the said rule was quoted for confusion.</p>
<p><u>Allegation No. 10</u></p> <p>Journal voucher (JV) is the job of F&amp;A Department but JVs of fake entry of Rs. 5.57 Billion was prepared by officers of Investment Department illegally.</p> <p>The preparation of JV in Investment Department... enhanced the EOBI Fund by Rs. 5.57 Billion, concealed in the PAC/DAC, Inquiry Report.</p>	<p>Finding of the Committee:</p> <p>It is principally agreed that the preparation of JV is the responsibility of F&amp;A Department. However, the record was not provided by the ABR Section, hence, the allegation cannot be verified.</p>

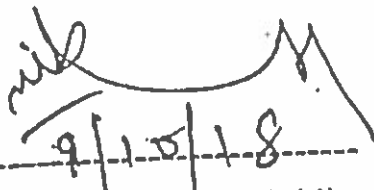
The Committee was given the task to examine "Misstatements/Concealment of facts to sabotage the inquiry ordered by PAC/DAC & its ultimate submission to NAB in BoP's investigation." so the other allegation regarding bidding process for placement of EOBI Fund in commercial banks, signing of Investment Committee minutes instead of convener of Investment Committee against the Board decision etc are ignored being out of jurisdiction.


The report is submitted for kind perusal of the competent authority with the following Executive Summary:

All the allegation were related to violations of Board decisions, EOBI Investment Rules, 1979 (amended), Investment Committee minutes, Commercial Audit report, violation of IAS-39 observed by Commercial Audit, PAC/DAC meetings and inquiry report constituted by controlling Ministry.



The allegations have been established or not established on the basis of available documents/record attached with the report for necessary action of the management.

  
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9/10/18  
Muhammad Salahddin  
Officiating Director (IA)

  
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Bilal Azmat Khan  
Director (F&A)

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