

FEDERAL INVESTIGATION AGENCY
FEDERAL GOVERNMENT OF PAKISTAN

FIRST INFORMATION REPORT

FIRST INFORM OF A COGNIZABLE CRIME REPORTED UNDER
SECTION 154 CODE OF CRIMINAL PROCEDURE

Office of the Deputy
Director FIA, Commercial
Bank Circle, Karachi

Police Station FIA-CBC-Karachi

Circle/Sub-Circle _____

No. 10/2021

Date and hour of occurrence 2017 to onward

| | |
|--|--|
| 1. Date and hour when reported. | 02.08.2021 at 1530 Hrs |
| 2. Name and residence of informant and complaint. | Mr.Zahid Hussain Section Head Legal Affairs Bank Islami Pakistan Ltd 11 th Floor, Executive Tower Dolmen City Marine Drive Block-4, Clifton Karachi |
| 3. Brief description of offence (with section) and of property carried off, if any. | U/s.409/420/468/471/109/34 PPC R/w section 3 / 4 of AML Act 2010 (Amended 2020) |
| 4. Place of occurrence and distanced and direction from Police Station. | Bank Islami Pakistan Ltd 11 th Floor, Executive Tower Dolmen City Marine Drive Block-4, Clifton Karachi |
| 5. Steps taken regarding investigation, explanation of delay in recording information. | I will investigate the case as ordered. |
| 6. Date and hour of despatch from Police Satation. | 02.08.2021 |

This case is outcome of Enq No.87/2019, which was registered under the orders of competent authority on receipt of a written complaint dated 13.12.2019 lodged by Mr.Zahid Hussain Section Head Legal Affairs Bank Islami Pakistan Ltd 11th Floor, Executive Tower Dolmen City Marine Drive Block-4, Clifton Karachi addressed to the Director FIA Sindh Zone-I Karachi. The complaint is reproduced as under: -

Dated 13.12.2019

The Director,
Federal Investigation Agency,
Sindh Zone-I, 25-A Lalazar M.T Khan Road,
Karachi

Subject: APPLICATION / CRIMINAL COMPLAINT FOR LODGING / REGISTRATION OF FIR AGAINST (I) SAAD AHMED MADANI AND (II) ADNAN NASEEM (BOTH EX-EMPLOYEES OF BANK ISLAMI PAKISTAN LTD (BIPL) AND OTHERS

Dear Sir,

Through this application / criminal complaint, I would like to bring to your kind knowledge and information.

That Mr.Saad Ahmed Madani S/o Hassan Madani R/o House No.45/2, Khayaban-e-Amir Khusro Phase-VI Defence Housing Authority (DHA) Karachi holder of CNIC No.42301-1200156-1 Cell No.0333-3675703 joined Bank Islami Pakistan Ltd on 26th September 2007 and was working as Head of Corporate Banking when he resigned from the service and his last day in office was 22nd April 2019.

That Mr.Adnan Naseem S/o Naseem U^l Haq Siddiqui R/o House NO.97/1, 8th Commercial Street, Phase-IV, Defence Housing Authority (DHA) Karachi holder of CNIC No.42101-1764994-5 Cell No.0333-3675721, joined the bank on 9th May 2007 and was working as Head of Corporate Banking (South Region) when he resigned from service and his last day in office was 27th May 2019.

1. That both the above named persons are Ex-Employees of the bank which is a banking company having its registered office at the Executive Tower Dolmen City Marine Drive Block-4 Clifton Karachi, and till their resignation, they were handling / managing corporate businesses of BIPL in general and of;
 - a. M/s.Zafar Agencies: a sole proprietorship business concern owned by Mrs.Shazia Arif W/o Arif Elahi, R/o House No.143-A, Khayaban-e-Badar Phase-VII DHA Karachi holding CNIC # 42301-7705246-4 having its registered business office located at Plot No.H-3/A, Sector-5 Road No.3000 EM Causeway Korangi Industrial Area Karachi and
 - b. M/s.Elahi Group of Companies (EGC) a sole proprietorship business concern owned by Mr.Danish Elahi S/o Arif Elahi / Mrs.Shazia Arif R/o House No.143-A, Khayaban-e-Badar Phase-VII DHA Karachi holder of CNIC No.42301-4760782-7 Cell No.0306-2702291 having its registered business office located at Plot No.H-3/A, Sector-5 Road No.3000 EBM Causeway Korangi Industrial Area Karachi. Reportedly, Mr.Danish Elahi also manages the affairs of M/s. Zafar Agencies and claim himself as Chief Executive Officer thereof.
2. That the Bank conducted an exercise involving seeking confirmation of outstanding financing obligations from its various parties during the month of August 2019.
3. In response to the balance confirmation exercise conducted by the bank, one of the parties namely Mr.Ali Altaf Saleem highlighted vide his letter that he had made payments aggregating to Rs.74,326,061/- through various cheques / pay orders in favor of the bank. Earlier in a meeting held on August 22, 2019 he had raised doubts about misuse of these payments made by him to the bank on account of charity and advisory fee. Based on his concerns, the bank conducted an internal review and found that all the above cheques / pay orders were wrongfully deposited in the account of M/s. Zafar Agencies on the basis of various letters of M/s. Zafar Agencies issued from time to time to use these funds for settlement of their finance facilities. The bank also found various emails sent by certain employees of the bank advising the concerned branch(es) to transfer these cheques / pay orders in the account of M/s. Zafar Agencies instead of the charity and income account of BIPL. Through this conniving, collusive and fraudulent acts of these employees and M/s. Zafar Agencies, the bank has suffered a loss of Rs.74,326,061/- as these cheques / pay orders were issued in favor of Bank on account of charity and advisory fee.
4. That M/s. Zafar Agencies had availed and utilized various financing facilities from the bank, aggregating to around Rs.1,000,000,000/- (Rupees one Billion only) against which present outstanding stands at Rs.855,024,289/-. M/s. Zafar Agencies contacted Bank's officials during the month of July 2019 and verbally denied / disputed its outstanding loan / liability to the extend of Rs.300,000,000/- and on the 7th of August 2019, sent a legal notice alongwith copy of an alleged undertaking, signed by Mr.Saad Ahmed Madani and Mr. Adnan Naseem. The said undertaking from ex-employees of the bank stated that liability of M/s. Zafar Agencies owned to the bank to the extend of Rs.300,000,000/- was based on certain errors that took place at Bank's end and that they were personally liable for such wrongful reflections of transactions.
5. That the basis for denial of the aforestated liability, amounting to Rs.300,000,000/- was certain alleged correspondence between the customers and Mr. Saad Madani and others. That in this respect, following correspondence (unearthed so far) took place between BIPL officials and the customers from time to

- a. An alleged undated undertaking signed by Mr. Saad Ahmed Madani and Mr. Adnan Naseem
- b. M/s. Zafar Agencies letter dated October 4, 2016 addressed to the then Corporate Head i.e., Mr. Mujtaba Hussain Kazmi, for utilizing their then limit of Rs. 500 Million for M/s. MSA Industries (Pvt) Ltd.
6. That the bank responded to the above legal notice vide its reply dated 22nd September 2019, wherein it clearly and out-rightly refuted all the fraudulent claims of the customers and totally rebutted their illegal stance.
7. That upon total denial by M/s. Zafar Agencies, regarding availing / utilization of the aforestated finance facility amounting to Rs.300,000,000/- the bank went through the details of their accounts and found certain other unusual transactions as well.
8. That the subject ex-employees / officials, in their personal / private capacities, have already filed a suit bearing No.1154 of 2019, titled Saad Ahmed Madani and another versus Shazia Arif and others dated 15.07.2019 for cancellation of the alleged Undertaking executed by them with respect to the financial facilities availed by M/s.Zafar Agencies amounting to Rs.300,000,000/- which case is pending before the Honourable Sindh High Court at Karachi.
9. It is pertinent to mention here that in the said suit No.1154/2019 the Defendant No.3, namely M/s. MSA Industries (Pvt) Ltd has admitted in their written statement regarding obtaining and availing of the amount of Rs.300,000,000/- loaned to them by M/s. Zafar Agencies.
10. That further examination of BIPL record, revealed that Mr. Saad Ahmed Madani and others, in connivance with certain other employees of the bank, had been carrying out unauthorized and questionable correspondence with M/s. Zafar Agencies and certain other parties, on their own while at the same time, planning and conniving with aforestated customers to cause loss to the bank. That there is a whole lot of dubious and doubtful correspondence between the subject officials etc and M/s. Zafar Agencies etc with regards to availing of and utilizing loan / financial facilities from the bank.
11. That on further investigation into the matter, it transpired that Mr. Saad Ahmed Madani and Mr. Adnan Naseem connived and colluded with M/s. Zafar Agencies who in connivance and collusion with each other, managed to fraudulently and illegally transfer the pledged stocks of M/s. MSA Industries (Pvt) Ltd to sheds / godowns of M/s. Zafar Agencies. As a result of this connivance and collusion, the bank lost possession and all the control over the aforestated misappropriated pledged stocks.
12. That all the above is clearly indicative of the fact that the illegal and unlawful collusion / connivance between the subject Ex-employees / officials of the bank and the customers was only meant to cheat, swindle, defraud and deceive the bank. The fraudulent, connived and collusive communication / correspondences between the subject Ex-employees / officials of the bank and the customers, which was earlier utilized for swindling, cheating and defrauding the bank, in its furtherance, is now being made a tool to harass and blackmail the bank for achieving additional illegal and unlawful gains as the same was done with ulterior motives and for wrongful gains.

In light of the above, it is most humbly requested that a comprehensive enquiry and investigation be initiated in respect of the above and thereafter FIR may be lodged / registered that since the crime has been committed in way of banking and the perpetrators are Ex-Employees, the Commercial Banking Circle of the Federal Investigation Agency has the jurisdiction in this respect and that they should be pleased to take immediate cognizance by carrying out thorough investigation into this matter and take strict legal action by lodging FIR against (i) Saad Ahmed Madani and (ii) Adnan Naseem both Ex-Employees of the bank, M/s.Zafar Agencies, M/s.Elahi Group of Companies and others under section 406/409/420/468/471/472/34/477-A PPC and under any other laws, thereby, not only bringing the perpetrators of the aforementioned crime / to the book but also enabling the bank to further identify and throw out all the black sheep that existed or exist within their ranks and folds, as well as helping the bank in recovering the aforementioned amounts, since the funds of the bank actually happens to be public money, hence nothing short of a sacred trust, vested with the bank. If any further issues in context of the subject matter come to the knowledge of the bank, the bank will report to your office.

That it is also requested that support be extended to the bank for immediate recovery of the aforesaid pledged stocks which the customers / have shifted / transferred / misappropriated in collusion / connivance with the subject Ex-Employees / officials etc.

-Sd/- Zahid Hussain Section Head Legal Affairs Bank Islami

MISAPPROPRIATION OF FUNDS RECEIVED FROM ALI ALTAF SALEEM

During the course of enquiry, relevant bank record has been procured and recorded the statements of complainant Mr.Zahid Hussain Section Head Legal Affairs Bank Islami and other concerned. During the course of enquiry, it has transpired that on 23.01.2017, alleged Syed Mujtaba Hussain Kazmi while posted as Head Corporate Banking, Bank Islami in connivance of his accomplices namely Saad Ahmed Madni and Adnan Naseem the then Bank Islam employees had sanctioned / approved financial / Murabaha facility vide 'Facility Advice Letter No.553.681.2-1 dated 20 January 2017'. As per the Facility Advice Letter, a limit of **Rs.500,000,000** had been sanctioned against following three types of securities. Alleged Syed Mujtaba Hussain Kazmi has misrepresented the facts with Mr.Ali Altaf Saleem that this facility was sanctioned to expand and strengthen banking relationship of Ali Altaf Saleem with Bank Islami Pakistan Limited. The said Advice letter was also signed by Ali Altaf Saleem.

- a. Pledge of M/s.Crescent Steel & Allied Producers Ltd in CDC account with minimum 35% margin on market value
- b. Personal guarantee of Mr.Ali Altaf Saleem
- c. Cash Margin of Rs.26,250,000/- (5.25% of limit amount)

It is pertinent to mention here that alleged Syed Mujtaba Hussain Kazmi had personally obtained / received a pay order for Rs.26,250,000/- favoring Bank Islami from Mr.Ali Altaf Saleem towards cash margin / Advisory fee. Alleged Syed Mujtaba Hussain Kazmi the then Head of Corporate Banking instead to account for the said pay order in the relevant account of Bank Islami, had got deposited the same pay order in connivance of his accomplices in account of M/s. Zafar Agencies against settlement of their liability, which they availed from Bank Islami.

Moreover, accused Syed Mujtaba Hussain Kazmi in connivance of his accomplices had fraudulently and through deceitful manners also managed another 'Facility Advice Letter of same number and date bearing No.553.681.2-1 dated 20 January 2017 for limit of Rs.500,000,000" in the name of Ali Altaf Saleem with ulterior motive. According to the Bank's book / Bank Islami record, Mr.Ali Altaf Saleem had availed financial facility of Rs.500,000,000/- against the following 02 types of securities instead of above mentioned 1st facility advice letter dated 20.01.2017. Security – cash margin of Rs.26,250,000/- (5.25% of limit amount) is not mentioned in this advice letter.

- a. Pledge of M/s.Crescent Steel & Allied Producers Ltd in CDC account with minimum 35% margin on market value
- b. Personal guarantee of Mr.Ali Altaf Saleem

Furthermore, in the year 2017 – 2019, Mr.Ali Altaf Saleem had issued following 06 cheques / pay order (including cash margin pay order) favoring Bank Islami total amounting to Rs.74,326,061/- drawn on his A/c No.0124-3020-1001-5734 titled Ali Altaf Saleem with MCB Shakar Ganj Mill Jhang Toba Road Branch District Jhang in order to settle his financial liability of Rs.500 Million availed by him from Bank Islami.

| S# | INSTRUMENT DETAILS | AMOUNT | FAVORING | REMARKS |
|----|---------------------------------|------------------------------|----------|--|
| 1. | PO 1450501 Dated 24 Jan 2017 | 26,250,000 (Advisory Fee) | | Personally handed over the same to accused Syed Mujtaba Kazmi at Bank Islami Korangi Industrial Area Branch Karachi and got deposited in parking account of Bank Islami and later on |

| | | | | |
|--------------|---|-------------------------|-----------------------------|---|
| 2. | Cheque 1629654378 Dated 18 Sep 2017 | 7,177,522 (Charity) | Bank Islami Pakistan Ltd | settled / adjusted the liability of M/s.Zafar Agencies. Sent through courier service vide M&P consignment No.1410 0071 1099 to Adnan Naseem Banker. The said cheque was subsequently acknowledged by alleged Adnan Naseem to Ali Altaf Saleem through his official email dated 25.06.2017 and got deposited in parking account of Bank Islami and lateron settled / adjusted the liability of M/s.Zafar Agencies.. |
| 3. | Cheque 1629654385 Dated 16 Nov 2017 | 3,367,119 (Charity) | | Personally received by accused Syed Mujtaba Hussain Kazmi at his private office at M/s.Saakh Pharma and got deposited in parking account of Bank Islami and lateron settled / adjusted the liability of M/s.Zafar Agencies. |
| 4. | Cheque 1660660413 Dated 6 Jun 2018 | 15,000,000 (Charity) | | This cheque was also acknowledged by accused Adnan Naseem banker via his official email dated 25.06.2018 to Shakarganj Ltd and got deposited in parking account of Bank Islami and lateron settled / adjusted the liability of M/s.Zafar Agencies. |
| 5. | Cheque 1660660417 Dated 25 Jun 2018 | 1,531,420 (Charity) | | Both the cheques were sent to accused Adnan Naseem through M&P Courier vide consignment No.1410 0140 1472 and got deposited in parking account of Bank Islami and lateron settled / adjusted the liability of M/s.Zafar Agencies. |
| 6. | Cheque 1660660416 dated 25.06.2018 | 250,292/- (Charity) | | |
| 6. | Cheque 179391871 Dated 29 March 2019 | 21,000,000 (Charity) | | Sent to accused Adnan Naseem through M&P Courier vide consignment No.1410 0190 1989 and got deposited in parking account of Bank Islami and lateron settled / adjusted the liability of M/s.Zafar Agencies. |
| Total | | 74,326,061 | | |

The banker accused namely (1) Adnan Naseem Head Corporate South (2) Saad Ahmed Madani Head Corporate Banking (3) Syed Mujtaba Hussain Kazmi Head Corporate Banking Bank Islami in connivance with Mst. Shazia Arif proprietor of M/s.Zafar Agencies (BankIslami's customer) and others had initially deposited all the above cheques / pay order favoring Bank Islami issued by Mr.Ali Altaf Saleem (towards settlement of his liabilities) into the parking A/c No.1026-9317605-0001 of Bank Islami Pakistan Ltd. Subsequently, the above accused persons through fraudulent and deceitful manners had transferred the amounts of above cheques / pay order into the A/c No.1026-1043501-0001 titled Zafar Agencies with Bank Islami Shahrah-e-

Faisal Branch Karachi on the basis of various bankers emails / letters of M/s.Zafar Agencies duly signed by Mst. Shazia Arif proprietor, issued from time to time to use these funds for settlement of financial liabilities of M/s.Zafar Agencies. The following are the deals / facilities of M/s. Zafar Agencies, which were settled / adjusted through the cheques / pay order of Ali Altaf Saleem.

| S# | Instrument details | Amount (Rs) | Favoring | Utilized for/ beneficiary |
|----|---|-------------------|--|--|
| 1. | PO 1450501 Dated 24 Jan 2017 | 26,250,000 | Bank Islami Pakistan Ltd- (Advisory Fee) | Murabaha Deal # 998 of Zafar Agencies |
| 2. | Cheque 1629654378 Dated 18 Sep 2017 | 7,177,522 | Bank Islami Pakistan Ltd (Charity) | KF deal # 1053 of Zafar Agencies |
| 3. | Cheque 1629654385 Dated 16 Nov 2017 | 3,367,119 | Bank Islami Pakistan Ltd (Charity) | Murabaha Deal # 1073 Zafar Agencies |
| 4. | Cheque 1660660413 Dated 6 Jun 2018 | 15,000,000 | Bank Islami Pakistan Ltd (Charity) | Murabaha Deal # 1161 (installment) of Zafar Agencies |
| 5. | Cheque 1660660417 Dated 25 Jun 2018 | 1,531,420 | Bank Islami Pakistan Ltd (Charity) | KF Deal # 1162 Zafar Agencies |
| 6. | Cheque 179391871 Dated 29 March 2019 | 21,000,000 | Bank Islami Pakistan Ltd (Charity) | Murabaha Deal # 1272 of Zafar Agencies |
| | Total | 74,326,061 | | |

It has also come on record that during the tenure of depositing of alleged cheques / pay order of Ali Altaf Saleem into the account of M/s.Zafar Agencies, Subhan Ahmed and Furqan Ali Shah were posted as Branch Manager at Bank Islami Shahrah-e-Faisal Branch Karachi and they also used to deal with corporate customers of the branch. All the above cheques were processed / dealt by accused Subhan Ahmed and Furqan Ali Shah who facilitated accused Mujtaba Hussain Kazmi, Adnan Naseem, Saad Ahmed Madani, Mst. Shazia Arif proprietor of M/s. Zafar Agencies and others to get their criminal objectives.

Furthermore, in order to maintain the bank's books / ledgers, accused Adnan Naseem, Saad Madni and his accomplices had got approval from Management of Bank Islami for waiving off charity amount Rs.27 Million approx of Ali Altaf Saleem without his consent / written request. The charity waiver approval dated 02.04.2019 was raised by Wasif Ul Aziz Relationship Officer and Adnan Anjum Senior Relationship Manager Corporate Hub Jodia Bazar Branch Karachi in connivance of other accomplices for waiver of charity amounting to PKR 27.687 Million on account of financing to Ali Altaf Saleem. The proposal request was recommended by accused Adnan Naseem Head Corporate South. Surprisingly, they had received the waived off charity amount from Ali Altaf Saleem, but did not account for the same in the Bank's ledgers / Books and misappropriated.

During the course of enquiry, it has come on record that all the financial affairs of M/s. Zafar Agencies were / are dealt by Danish Elahi S/o Mst.Shazia Arif – proprietor of M/s. Zafar Agencies, therefore the role of Danish Elahi will be ascertained during the course of investigation. Further, the role of other bankers / suspects will also be determined during the course of investigation.

From the above discussed evidence, it has been established that following accused persons with criminal and common intention, misuse of powers, fraudulent activities and falsification in bank's record / documents had caused substantial loss to customer Ali Altaf Saleem which ultimately loss to Bank Islami and wrongful gain to themselves for Rs.74,326,061/- and thereby committed the offences punishable u/s 409/420/468/471/109/34 PPC R/w section 3/4 of AML Act 2010 (Amended 2020). Hence, this case is accordingly registered against below mentioned accused persons and others under the orders of competent authority.

1. Syed Mujtaba Hussain Kazmi S/o Syed Abrar Hussain Kazmi CNIC No. 42201-6172990-3 R/o 142, Street # 37, Khayaban-e-Bukhari Phase-VI DHA Karachi Ex-Head of Head of Business Banking Bank Islami
2. Saad Ahmed Madni S/o Hassan Madani CNIC No.42301-1200156-1 R/o Flat No.FF-2, Block-65-A, Sea View Apartments Phase-V DHA Karachi Ex-Head of Corporate Banking
3. Adnan Naseem S/o Naseem UI Haq Siddiqui CNIC No.42101-1764994-5 R/o House No.97/1, 8th Commercial Street Phase-IV DHA Karachi Ex- Head of Corporate Banking
4. Subhan Ahmed S/o Ahmed Hassan CNIC No. 42201-0562951-5 R/o Flat No.D-303, Marjina Complex Gulshan-e-Iqbal Block-13-B Karachi - Ex-Branch Manager Bank Islami Shahrah-e-Faisal Branch Karachi
5. Syed Furqan Ali Shah S/o Syed Shamshad Ali Shah (Late) CNIC No. 42201-2739014-5 R/o D-35, Block-4 Saadi Town Scheme-33 Karachi Ex-Section Head – Corporate Banking Bank Islami
6. Muhammad Humair S/o Muhammad Hanif CNIC No.42501-8731647-7 House No.B-80, Mumtaz Nagar J-Area Malir Colony Karachi Ex-Banker Bank Islami
7. Mst.Shazia Arif W/o Arif Elahi CNIC No.42301-7705246-4 R/o 143-A/III, Khayaban-e-Badar Phase-VII DHA Karachi proprietor of M/s.Zafar Agencies having registered office at Plot # H-3/A, Sector-5 EBM Causeway Korangi Industrial Area Karachi & others.

Investigation is taken up by the undersigned.

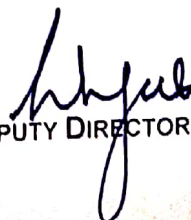

(BILAL AHMED)
SUB-INSPECTOR FIA CBC
KARACHI

No. FIA/CBC/FIR-10/2021/1671624

Dated: 02.08.2021

Copies forwarded to: -

1. The Hon'ble Special Court (Offences in Banks) Sindh at Karachi.
2. The Hon'ble Court of Judicial Magistrate (South) Karachi.
3. The Director (Crime), F.I.A., Headquarters, Islamabad.
4. The Director FIA ECW Headquarter Islamabad.
5. The Director, F.I.A., Sindh Karachi.
6. The Deputy Director, F.I.A., Tech./CCRO, Headquarters, Islamabad.
7. The Assistant Director (Legal), F.I.A., CBC, Karachi.
8. The Reader, F.I.A., CBC, Karachi.
9. The Investigating Officer.


DEPUTY DIRECTOR