

IN THE COURT OF MR. MUHAMMAD ARSHAD MALIK, JUDGE
ACCOUNTABILITY COURT-II, ISLAMABAD.

Reference No.18/2017
Flagship Investments Ltd.
And other companies

STATE VS.

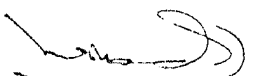
1. Mian Muhammad Nawaz Sharif (Ex-Prime Minister of Pakistan) son of Mian Muhammad Sharif, aged about 69 years.
2. Hussain Nawaz Sharif s/o Mian Muhammad Nawaz Sharif, aged about 45 years, (absconding accused).
3. Hassan Nawaz Sharif s/o Mian Muhammad Nawaz Sharif, aged about 41 years, (absconding accused).
All R/o 180-181, Block-II, Model Town, Lahore and Shamim Farm, Jati Umra, Raiwind Road, Lahore.

REFERENCE U/S 18(G) OF NAO, 1999, READ WITH OTHER ENABLING PROVISIONS OF LAW

JUDGMENT:

Brief facts of the case are that in pursuance to the Orders of Hon'ble Supreme Court of Pakistan dated 20.04.2017 in Constitution Petition, No. 29/2016 etc. Joint Investigation Team (JIT) comprising representatives from FIA, NAB, SECP, SBP, ISI and MI conducted investigation against the above said accused persons, collected evidence and submitted its Final Investigation Report on 10.07.2017.

2. Hon'ble Supreme Court of Pakistan passed directions to NAB vide Order dated 28.07.2017 for preparing of the reference against the accused persons, hence, investigation of the case was authorized on 02.08.2017 regarding present reference i.e. Flagship Investments Limited and 15 other companies. It is alleged that the accused persons used these companies to manage/acquire expensive properties any movement of funds to hide the real sources of funds. Accused persons have failed to justify sources of funds for establishment/possession of above mentioned assets companies. According to investigation proceedings and its findings so far, it is established that accused persons in connivance with each other have committed the offence of



24.12.18
JUDGE

corruption and corrupt practices as defined under section 9(a) (v) and (xii) of National Accountability Ordinance, 1999 ("NAO" or the "Ordinance") punishable under section 10 of NAO and schedule thereto.

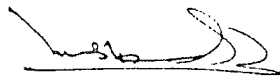
3. On 13.09.2017 reference was filed against the accused persons in the Accountability Court No. 1, Islamabad. The notices were issued to the accused persons for appearance. Mian M. Nawaz Sharif joined the proceedings before the Court and is facing trial but co-accused Hassan Nawaz Sharif and Hussain Nawaz Sharif did not opt to appear in spite service of notices and court after fulfilling legal requirements under section 87 & 88 Cr.P.C declared them as proclaimed offenders on 15.11.2017.
4. Copies of the reference and other requisite documents u s 265-C Cr.P.C were given to the accused facing trial on 26.09.2017. Charge was framed against accused Mian M. Nawaz Sharif On 20.10.2017. He did not plead guilty and claimed trial. The detailed charge sheet put to the accused is reproduced as under:-

CHARGE SHEET

I (Muhammad Bashir, Judge, Accountability Court-I, Islamabad) hereby charge you above named accused Mian Muhammad Nawaz Sharif (at present represented by pleader), as under that:

You accused Muhammad Nawaz Sharif (at present represented by Learned Pleader Mr. Zaafir Khan Advocate) belong to a businessman family and you accused subsequently turn into a political figure and have held the following high public offices:

1. **Minister for Finance, Excise and Taxation,** Government of the Punjab.(from April 25, 1981 to February 28, 1985)
2. **Chief Minister,** Government of the Punjab (from April 09, 1985 to May 30, 1988)
3. **Caretaker Chief Minister,** Government of the Punjab(from May 31, 1988 to December 02, 1988)
4. **Chief Minister,** Government of the Punjab(from December 02, 1988 to August 06, 1990)
5. **Prime Minister** of Pakistan(from November 06, 1990 to April 18, 1993)
6. **Prime Minister** of Pakistan(from May 26, 1993 to July 18, 1993)
7. **Leader of the Opposition** in the National Assembly (from October 19, 1993 to November 05, 1996)
8. **Prime Minister** of Pakistan(from February 17, 1997 to October 12, 1999)
9. **Prime Minister** of Pakistan(from June 05, 2013 to July 28, 2017)

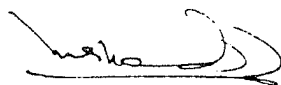


24.12.18

ACCOUNTABILITY COURT-I
ISLAMABAD

The absconding accused Hussain Nawaz Sharif was born on 01-05-1972. He was a student in London, UK from where he got his LLB (Honours) degree in 1995. After completion of his education, he returned to Pakistan in 1996. In between 1996 to 2001, he had no independent source of income. He was aged about 28 ½ years as on 01-01-2001. As per record submitted by FBR Net Worth of absconding accused Hussain Nawaz as reflected in Wealth Statement filed by him is as under:-

Hussain Nawaz Sharif-Wealth Statement.			
(Amount in Rs)			
Assessment Year.	1999-00	2000-01	2001-02
Wealth as on	30-Jun-99	30-Jun-00	30-Jun-01
Investments			
Chaudhry Sugar Mills Ltd.	6,411,000	6,411,000	6,411,000
Ramzan Sugar Mills Ltd	3,500,000	3,500,000	3,500,000
Mehraan Ramzan Textile Mills Ltd.	4,874,000	4,874,000	-
Hamza Spinning Mills Ltd	1,631,000	1,631,000	1,631,000
Muhammad Buksh Textile Mills	4,821,000	4,821,000	4,821,000
Kalsoom Textile Mills	50,000	50,000	50,000
Hudabiya Paper Mills Ltd.	8,976,000	8,976,000	8,976,000
Hudaybia Engineering Pvt Ltd.	2,454,000	2,454,000	2,454,000
Hamza Board Mills Ltd.	1,292,000	1,292,000	1,292,000
Khalid Siraaj Industries (Pvt) Ltd.	150,000	150,000	150,000
Subtotal.	34,159,000	34,159,000	29,285,000
Un-Secured Loans.			
Mrs. Shamim Akhtar.	4,000,000	4,000,000	4,000,000
Mr. Nawaz Sharif.	600,000	600,000	600,000
Subtotal.	4,600,000	4,600,000	4,600,000
Cash & Bank Balances.			
Cash in hand.	163,205	752,948	725,188
Doha Bank Limited.	-	214,336	214,336
Subtotal.	163,205	967,284	393,524
Total Assets.	38,922,205	39,726,284	34,824,524

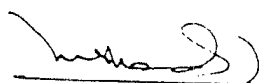

 24.12.18
 JUDGE
 ...

Liabilities.			
Chaudhry Sugar Mills. Ltd.	(4,421,163)	(5,921,163)	(6,432,448)
Total	(4,421,163)	(5,921,163)	(6,432,448)
Liabilities.			
Net Wealth.	34,501,042	33,805,121	28,392,076
Foreign Currency			
NBP Bank Road Branch. Rawalpindi (USD)		43,584.47	43,584.47
TCS in Vault of NBP Bank Road Branch. Rawalpindi		21,400.00	21,400.00
Subtotal.		64,984.47	64,984.47

The second absconding accused Hassan Nawaz Sharif was born on 21-01-1976. He was dependent on his father accused Mian Muhammad Nawaz Sharif from 1989-90 to 1994-95. He was student in UK from 1994 to 1999 and had no independent source of income even after said period. He was aged about 25 years on 01-01-2001.

You accused Mian Muhammad Nawaz Sharif (represented by pleader) filed assets proforma on his behalf in the year 1989- 90 till 1994- 1995. Net worth of accused Hassan Nawaz as reflected in Wealth Statements in corresponding year is as under:

Hassan Nawaz Sharif-Wealth Statement.			
Assessment Year.	1999-00	2000-01	2001-02
Wealth as on	30-Jun-99	30-Jun-00	30-Jun-01
Investments			
Chaudhry Sugar Mills Ltd.	10,000	10,000	10,000
Ramzan Sugar Mills Ltd.	2,700,000	2,700,000	2,700,000
Mehraan Ramzan Textile Mills Ltd.	1,074,000	1,074,000	-
Hamza Spinning Mills Ltd.	441,000	441,000	441,000
Muhammad Buksh Textile Mills.	1,021,000	1,021,000	1,021,000
Hamza Board Mills Ltd.	302,000	302,000	302,000
Subtotal	5,548,000	5,548,000	4,474,000
Cash & Bank Balances.			
Cash in hand.	232,898	232,898	232,898
Subtotal	232,898	232,898	232,898



24.12.18

JUDGE

Accountability Court-2

Total Assets.	5,780,898	5,780,898	4,706,898
Liabilities			
Chaudhry Sugar Mills Ltd.	(1,192,176)	(1,412,811)	(1,489,710)
TOTAL LIABILITIES	(1,192,176)	(1,412,811)	(1,489,710)
NET WEALTH.	4,588,722	4,368,087	3,217,188

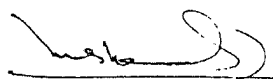
After completion of studies co-accused Hassan Nawaz established and acquired various companies

1. Flagship Investments Ltd.
2. Hartstone Properties Ltd
3. Que Holding Ltd.
4. Quint Eaton Place 2 Ltd
5. Quint Sloane Ltd (formerly Quint Eaton Place Ltd)
6. Quint Ltd.
7. Flagship Securities Ltd
8. Quint Gloucester Place Ltd.
9. Quint Paddington Ltd. (formerly Rivate Estates Ltd.)
10. Flagship Developments Ltd
11. Alana Services Ltd (BVI).
12. Lankin SA (BVI) and
13. Capital FZE (Dubai).

Flagship Investment Company Ltd was established on 12-04-2001 With Paid up capital of GBP-1 wherein accused Hassan Nawaz was Director and beginning of Company was based upon a loan amounting to GBP 705,071 by him.

You accused Mian Muhammad Nawaz Sharif (represented by pleader) and absconding co-accused owned/acquired mortgaged expensive properties in the name of that company which are as under:-

- (i) Property located and known as Units 31-33 Wills Wey Industrial Estate Plots. Fleet bridge Poole Dorset at the land Registry with title number DT99349, DT 148418, DT152196, DT253611, DT278957, DT168371 and DT115513.
- (ii) Property located at Plot No. 08, 121 Edgware Road, London.
- (iii) Property located at Flat No. 12A, Avenfield House 118 Park Lane, Mayfair, London at the Land Registry with title number NGL225917. Property located at Flat No. 8, 2 Burwood Place, London at the Land Registry with title number NGL 806047.
- (iv) Property located at Flat No. 201, Drake House, Saint George Wharf, London at the Land Registry with title number TGL 192078. Property located at Flat No. 10, Duke Mansions, Duke Street London at the land Registry with title number NGL 394460, property located at Flat No. 02, Dunraven House, 36, Green Street, London W1K7FX at the Land Registry with title number NGL 832138.
- (v) Property located at Flat No. 4, 69 Cadogan Square, London SW1X0DY at the Land Registry with title number NGL569247. Property located at Upper Ground Floor, Stanhope House, Stanhope Place, London W2 2HH.
- (vi) Property located at 12A, Avenfield House, 118 Park Lane, London W1 at the land Registry with title number NGL 335917.

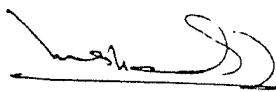


21.12.18
JUDGE
Accountability Court-2
Islamabad

Year wise important financial figures regarding the company are mentioned below:

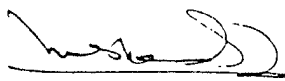
FUNDS FLOW OF HASSAN NAWAZ (2001-2016) FLAGSHIP INVESTMENTS LIMITED.					
Year	Profit/Loss (GBP)	Loan from Hassan Nawaz Inflow (Outflow) GBP	Loan from associated companies Inflow (Outflow) GBP	Loan from associated companies Inflow (Outflow) GBP	Loan to associate d companie s Inflow (Outflow) GBP
2002	(8,551)	705.071	229,594	-	-
2003	(14,657)	307.761	1,386,956	-	-
2004	39,051.	593,939	(11,844)	-	-
2005	(117,419)	(188,450)	1,665,353	-	-
2006	(359,339)	469,351	671,227	5,583	-
2007	3,237	(217,542)	(1,005,294)	118,326	-
2008	(213,281)	(540,463)	268,672	387,931	(175,274)
2009	(378,010)	361,771	(24,977)	(1,910)	(33,216)
2010	(34,905)	26,688	(33,838)	(198,426)	208,490
2011	(135,608)	(131,797)	(1,120,849)	(108,685)	(83,593)
2012	193,897	342,094	(2,025,000)	225,751	(333,245)
2013	(194,791)	(84,425)	-	(168,487)	(104,518)
2014	(119,906)	175,932	-	(28,402)	(111,470)
2015	(176,037)	299,400	485,000	(23,218)	(89,387)
2016	247,379	(147,051)	(485,000)	(22,940)	(107,331)
Net Petiti on.	(1,268,940)	1,972,279	-	185,523	(829,544)

- b. Hartstone Properties Limited: The instant company was incorporated on 22.03.2002, wherein the accused Hassan Nawaz became its Director on 26-03-2002. The paid capital was GBP 2 only. He held 50% shareholding in this company. Accused Hassan Nawaz obtained building society loan amounting to GBP 1.2 million for Flagship Investments Ltd. by mortgaging the property of this company.
- c. Que Holdings Limited: The instant company was incorporated on 15.07.2003, wherein the accused Hassan Nawaz became its Director and Company Secretary on the same date. The paid up capital was GBP-01 only.
- d. Quint Eaton Place 2 Limited (formerly Quint Eaton Place Limited): The instant company was incorporated on 13.11.2003, wherein accused Hassan Nawaz became its Director & Company Secretary on 23.11.2003. The paid up capital was GBP 100. He owned mortgaged property located at Flats No. 5, 97-99 Eaton Place, London SW1 under this company.
- e. Quint Sloane Limited (formerly Quint Eaton Place Limited): The instant company was incorporated on 19.11.2003, wherein the accused Hassan Nawaz became its Director & Company


24.12.18
JUDGE
Accountability Court-2
Islamabad

Secretary on the same date. The paid up capital was not made available.

- f. Quint Limited: The instant company was incorporated on 14.07.2003, wherein the accused Hassan Nawaz became its Director & Company Secretary on the same date. The paid up capital was GBP 100 only. He however owned mortgaged Property located at Flats L & M 17 Eaton Square, London SW1 at the Land Registry with title number NGL 818885 under this company.
- g. Flagship Securities Limited: The instant company was incorporated on 25.07.2005, wherein the accused Hassan Nawaz became its Director on the same date. The paid up capital was GBP 100 only.
- h. Quint Gloucester Place Limited: The instant company was incorporated in the year 2006. The paid up capital was GBP1 only. The company owned mortgaged property located at FH117, Gloucester Place, London W1U6JU at the Land Registry with title number NGL417483.
- i. Quint Paddington Limited (Formerly Rivate Estates Limited): The instant company was incorporated in the year 2006. The paid up capital was GBP 100 only. He owned mortgaged following properties under this company:
- (i) Property located at FH the Fetter & Firkin Public House 15 Chilworth Street, London at the Land Registry with the title number NGL818885.
- (ii) Property located at K.A the Fetter & Firkin Public House, 15 Chilworth Street, London at the Land Registry with the title number NGL350124.
- j. Flagship Development Limited: The instant company was incorporated on 15.09.2010, wherein the accused Hassan Nawaz became its Director on the same date. The paid up capital was GBP 1 only.
- k. Alanna Services Ltd (BY): The instant company has 20% shareholding in Quint Eaton Place 2 Limited owned by accused Hassan Nawaz. He however, stated before the JIT that the company belong to his close friend Asim Mehmood, but did not provide any record. The said company extended a loan amounting to GBP 126,051 to Quint Eaton Place 2 Limited during the year 2004-06. It has been found that Minerva Services Ltd and Minerva Nominess Ltd are the shareholders of Alanna Services Ltd.
- l. Lamkin SA (BY): The instant company has 30% shareholding in Quint Limited owned by accused Hassan Nawaz. He stated before the JIT that this company also belonged to Asim Mehmood, however, he did not provide any record in this regard. It is pertinent to mention here that an amount of GBP 191,029 was transferred from this company to Quint Limited during the years 2004-06. It has been found that Minerva Services Ltd and Minerva Nominess Ltd are the shareholders of Alanna Services Ltd.

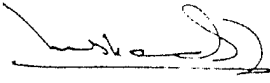

 24.12.18
 JUDGE
 Accounts Court-2
 Islamabad

- m. Coomber Inc (BV): The instant company is owned by Hussain Nawaz and Maryam Nawaz (Safdar), it has financed money to Flagship Securities Limited and Que Holding Limited owned by accused Hassan Nawaz. The company extended a loan of GBP 1.7 million to Que Holdings Limited during the year 2007 and GBP 150,000 to Flagship Securities Limited. The JIT also made reference to International Consortium of Investigative Journalism (ICIJ), Panama papers wherein, it was revealed that a bank mortgage deed dated 02-09.2008 was executed by Nielson Enterprises Limited (Mortgagor & Borrower) and Coomber Group inc. (Borrower) with Deutsche Bank (Suisse) SA for an amount of GBP 7 million.
- n. Capital FZE (UAE): The said company was incorporated in 2001 by accused Hassan Nawaz. Accused persons were required to produce documents pertaining to ownership, etc of Capital FZE but they failed to provide the same. The JIT however during investigation succeeded in obtaining the record directly from Jebel Ali Free Zone Authority (JAFZA), Dubai i.e. the concerned regulatory authority. The record revealed that the company was granted trading license bearing registration No. 561 on 01.10.2001. The license shows accused Hassan Nawaz as Manager. The record further reveals that accused Mian Muhammad Nawaz Sharif was the Chairman of the Board from 07.08.2006 till 20.04.2014 at remuneration of Arab Emirates Dirham (hereafter referred as AED) 10,000 per month. This company also extended a loan of GBP 615,000 to Quint Paddington Ltd in 2008-09.
- o. Apart from establishment of above mentioned properties, Accused Hassan Nawaz also extended a loan of Rs. 87,348,466/- to Chaudhry Sugar Mills Limited during the year 2009-10.
- p. Accused Hassan Nawaz gifted GBP 800,000 during the year 2012-2013 to his sister Maryam Nawaz. Apart from that, an amount of GBP 188,000 and GBP 170,000 are reflected in the accounts of Quint Limited and Quint Eaton Place 2 Limited respectively owed to M.Safdar during year 2006-07.

You accused Mian Muhammad Nawaz Sharif (at present represented by Pleader) accumulatively injected an amount of GBP 3.2 million in above mentioned UK Companies in the name of accused Hassan Nawaz.

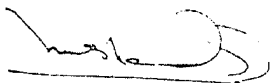
You accused Muhammad Nawaz Sharif (represented by Pleader) had been a shareholder and / or Director in a few Companies established by your late father Mian Muhammad Sharif later on, you accused actively got involved in politics since 1981 however, remained Chairman of Capital FZE UAE from 2007 to 2014. The said company was incorporated in year 2001 by co-accused Hassan Nawaz.

However, during the year 2001 and 2002, the details of assets of you accused Mian Muhammad Nawaz Sharif as per of FBR record are as under:


24.12.18
JUDGE
Accountability Court-2
Islamabad

Mian Muhammad Nawaz Sharif- Wealth Statement. (Amount in Rs)		
Assessment Year	2000-01	2001-02
Wealth as on	30-June-00	30-June-01
Business Capital		
Abbas & Company (Capital)	10,000	10,000
Subtotal	10,000	10,000
Non-Agricultural Property		
135-Upper Mall Lahore	900,000	900,000
Subtotal.	900,000	900,000
Agricultural Property		
74 Kanal 18 M.	640,965	640,965
Subtotal.	640,965	640,965
Investments		
Chaudhry Sugar Mills Ltd.	16,000,000	16,000,000
Defense Saving Certificates.	115,000	115,000
Subtotal.	16,115,000	16,115,000
Un-Secured Loans		
Abbas & Company (Current Acc)	84,485	84,485
Mrs. Kalsoom Nawaz	184,562	-
Subtotal.	269,047	84,485
Cash & Bank Balance		
Cash in Hand.	1,127,425	877,425
BOP	5,225	5,225
Subtotal.	1,132,650	882,650
TOTAL ASSETS	19,067,662.	18,633,100
Liabilities.		
Chaudhry Sugar Mills Ltd.	-	(1,198,541)
Ramzan Sugar Mills.	-	-
Hudabiya Engineering Co. (pvt) Ltd.	(2,700,000)	-
Mrs. Kalsoom Nawaz.	-	(615,438)
Mrs. Shamim Akhtar	(1,500,000)	(3,500,000)
Mrs. Mariyam Safdar.	(1,500,000)	(2,200,000)
Mian Hussain Nawaz.	(600,000)	(600,000)
Total Liabilities.	(6,300,000)	(8,113,979)
NET WEALTH.	12,767,662	10,519,121,

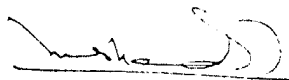
You accused Mian Muhammad Nawaz Sharif (represented by pleader) did not provide any evidence or explanation regarding the accumulation of the above said assets and there is your failure on your part to account for the said accumulation of assets in your name and in names of your sons/co-accused as benamidars. Thereby you accused Mian Muhammad Nawaz Sharif (represented by pleader) in connivance with other co-accused committed an offence of corruption and corrupt practices as defined u/s 9 (a) (v) NAO 1999 (holding of assets disproportionate to your known sources of income and which you could not reasonably account for) and punishable u/s 10 of NAO 1999.


24.12.18
JUDGE
Accountability Court-2
Islamabad

5. Prosecution cited 09 witnesses in the calendar and got recorded 07 witnesses. Meanwhile PW-16 Muhammad Kamran I.O. submitted supplementary investigation report with record before the competent authority on 12.2.2018.

6. Meanwhile after completion of investigation by the I.O NAB the competent authority after perusing the material and evidence placed before it in his report, referred the matter to the Accountability Court, Islamabad as supplementary reference on 14.02.2018. copies of the same with other relevant documents were handed over to the accused. Brief contents of the supplementary reference are as under:-

- a. That in continuance of investigation, the Investigating Officer has collected and seized material evidence comprising of certified record pertaining to companies and properties established in U.K by the accused persons. The said record establishes and reaffirms the ownership as well as acquisition of assets by the accused persons. Moreover, record regarding address to nation and speech on the floor of National Assembly by accused No. 1 which were aired by PTV News, has also been seized. Accordingly, the statements of witnesses u/s 161 Cr.P.C have also been recorded. Hence, this Supplementary Referenced is being filed.
- b. That the accused person were given fair opportunities to explain and provide evidence justifying the accumulation of assets but they failed to provide any evidence to account for the accumulation of the assets. Furthermore, in order to justify the accumulation of these assets, accused persons made public statements through media as well as produced record in their defence before Hon'ble Supreme Court of Pakistan and JIT, which were also found untrue in view of the facts and record of the case.
- c. That according to evidence collected through investigation conducted so far, it is established that accused No. 1, acquired and owned/possessed the assets in the name of his daughter his dependents, benamidars namely accused No. 2 and accused No. 3 (since absconder), which they could not account for, and are, therefore, disproportionate and beyond their known sources of income.



24.12.18
JUDGE
 Accountability Court-2
 Islamabad

d. That on appraisal of the material and the evidence placed before me during the investigation. I am satisfied that above mentioned accused persons have committed the offence of corruption and corrupt practices as defined in section 9 (a) (v) and (xii), punishable u/s 10 of the NAO, 1999 and schedule thereto. Therefore, it is proper and just to proceed further against the above-accused persons as there is sufficient incriminating evidence to justify the filling of this supplementary reference. List of witness, investigation report and documents as per list are attached herewith.

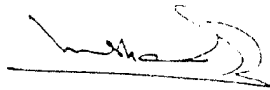
7. In supplementary reference Prosecution again cited 09 more witnesses out of which 7 witnesses were produced and recorded in the Court and M. Rizwan Khan and Nasir Junejo from the list of witnesses in the supplementary reference were given up being unnecessary. Prosecution also produced Mr. Wajid Zia head of the JIT as PW-15.

8. Prosecution moved an application u/s 540 Cr.P.C. for summoning Mr. Zahir Shah, Director General (Operation) NAB HQ as witness and for producing the record received by him from UK Central Authority UK. Application was allowed and his statement was recorded as PW-14.

9. Prosecution to prove the charge against the accused produced 16 witnesses in toto and voluminous record relevant to the Flagship Investments Ltd. and other companies mentioned in the charge. The resume of the depositions of the PWs are as under:-

i. PW-1 Jehangir Ahmed deposed about his appointment as a focal person for producing the relevant record before the IO NAB. The PW produced letters relating to his appointment as focal person, handing over of the certified copies of the record along with original to him for submitting record before the IO. as Exh. PW-1 1 to PW-1 5 PW produced certified copies of the income tax return, wealth statement and wealth tax returns for the different years of accused Mian M. Nawaz Sharif and of absconding accused Hassan Nawaz and Hussain Nawaz as Exh. PW-1 6 to PW-1 14. PW admitted his signatures on the seizure memo as Exh. PW-1 15.

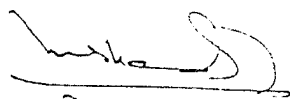
ii. PW-02 Shahbaz Haider Chief Financial Officer of Ch. Sugar Mill Ltd. produced the covering letter dated 21.08.2017 signed by him and the ledger account of Ch. Sugar Mill. credit advices, relevant pages of bank



24.12.18
JUDGE
 Accountability Court-2
 Islamabad

statements, Journal voucher and extract of resolution passed in the Board meetings of Ch. Sugar Mill Ltd. on 19.08.2009 as Exh. PW-2.2 to PW-2.20 and admitted his signature Exh. PW-2.1 on the seizure memo.

- iii. PW-03 Umer Daraz, S.I. P.S NAB deposed regarding the entrustment of call up notices issued by NAB (Rawalpindi) for serving upon accused Mian M. Nawaz Sharif, Hassan Nawaz and Hussain Nawaz. Proceedings carried out by him in this regard PW tendered original receipts bearing signatures of Malik Arif and his report as Exh. PW-3.1, photocopy of call up notices marked PW-3.A
- iv. PW-04 Afaaq Ahmed SSP Secretary Office, Ministry of Foreign Affairs deposed that on 30.5.2017 he received letter dated 28.05.2017 Exh. PW-4.2 along with envelope Exh. PW-4.3 addressed to Mr. Wajid Zia, which he vide his letter dated 30.05.2017 send to Head of JIT Mr. Wajid Zia PW was summoned by JIT through Secretary M/o Foreign Affairs for appearing before the JIT. He appeared accordingly, letter sent by him was acknowledged by him before JIT PW signed seizure memo Exh. PW-4.4.
- v. PW-05 Muhammad Tasleem Khan Inland Revenue Officer deposed that on 09.10.2017 he had retired from the service During service Fiza Batool Commissioner Inland Revenue directed him to accompany Mr. Jehangir Ahmed, Commissioner Inland to the NAB office Rawalpindi for production of 2 sets of certified photocopies of the record pertaining to income tax return, wealth tax return and wealth statement of accused Mian M Nawaz Sharif, Hassan Nawaz and Hussain Nawaz. In his presence M Jehangir handed over the certified record to the I.O. which seized through seizure memo and original record was returned. PW admitted his signature on the seizure memo as Exh. PW-5.1.
- vi. PW-06 Malik Uzair Rehan Assistant Director NAB deposed that on 21.08.2017 Jehangir Ahmed Commissioner Inland Revenue produced the record before the I.O. which he took in to possession and on even date Shahbaz Haider CFO Ch. Sugar Mill produced the record which was in his presence seized by I.O. on both occasion, he was attesting witness of the seizure memo and admitted his signature on the seizure memo as Exh. PW-6.1 & 2.
- vii. PW-07 Nasir Junejo Addl. Director NAB Rawalpindi deposed that on 21.08.2017 Shahbaz Haider CFO of Ch. Sugar Mill produced the record before the I.O. in his presence. I.O seized the record and he attested the seizure memo by putting his signature as Exh. PW-7.1 thereon
- viii. PW-08 Naveed-ur-Rehman Security Guard at Pakistan High Commission deposed that on 24.1.2018 and 25.01.2018 he was serving as Security Guard at Pakistan High Commission London. He received mail in envelopes which he delivered to CR section on both occasion to Mr Zakiud Din. The mail was addressed to the I.O


24.12.18
JUDGE
Accountability Court-2
Islamabad

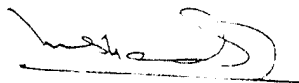
- ix. PW-09 Zakiud Din Deposed that on 24.01.2018 & 25.01.2018 being Counselor Assistant at High Commission for Pakistan London. On both dates Naveed-ur-Rehman delivered mail at CR Section which was addressed to Mr. M. Kamran. Dy. Director NAB, he entered the mail accordingly and handed over the mail to Mr. M. Kamran in presence of Rao Abdul Hanan Visa & Counselor Attache at Pakistan High Commission, London and M. Rizwan Khan of NAB. Mr. M. Kamran prepared the seizure memo on both dates. He put the signature on seizure memo which are exhibited as Exh. PW-9-1 & PW-9-14. The envelopes received in CR Section are Exh. PW-9-2 to PW-9-13 and PW-9-15 to PW-9-17. He also handed over the scanned copy of e-diary as Exh. PW-9-18 to Muhammad Kamran.
- x. PW-10 Rao Abdul Hanan Deposed that on 24.01.2018 & 25.01.2018 he was working as Visa and Counselor Attache at Pakistan High Commission London, his job includes attestation of documents. He stated that on 24.01.2018 & 25.01.2018 M. Kamran Investigating Officer of NAB was in his office when Zakiud Din handed over him envelopes. Mr. M. Kamran on both occasions prepared the seizure memos which were signed by him as witness along with M. Rizwan Khan. On referred dates M. Kamran opened the envelopes and taken out the documents from the envelopes, perused the same, handed over to him for attestation. He further stated that he returned the documents to the I.O. for completing the legal formalities before attestation by him. On the same day I.O. again visited the office after completing legal formalities advised by him. He attested the documents and put his signature and stamps of High Commission of Pakistan London, which exhibited as Exh. PW-10-3 to PW-10-194.
- xi. PW-11 Shahid Mehmood Producer Current Affairs PTV Centre, Islamabad deposed that he was instructed by the Management of the PTV for providing DVD and transcript of the addresses of Mian M. Nawaz Sharif to the nation dated 05.04.2016 and speech at the floor of the National Assembly dated 16.05.2016 to NAB authorities. He after getting tape from VTR library of the above said addressed got prepared DVDs Exh. PW-11-2 & PW-11-3 and prepared transcript Exh. PW-11-4 & PW-11-5. He handed over to the I.O. which he seized through seizure memo.
- xii. PW-12 Mr. Waqar Ahmed, Asstt. Director NAB Rawalpindi deposed that he attested the seizure memo whereby in his presence Shahid Mehmood produced the DVD and transcript of the addresses of accused Mian M. Nawaz Sharif.
- xiii PW-13 Umar Daraz again appeared and deposed that on 08.02.2018 call up notice issued on the name of Muhammad Nawaz Sharif was entrusted to him which he took to Shamim Farm Jati Umra Raiwand Road Lahore on 09.02.2018 where Muhammad Arif Security Officer received call up notice and put his signature on the



24.12.18
JUDGE
 Accountability Court-2
 Islamabad

photocopy thereof which is Exh. PW-13 1 with his report Exh. PW-13 2.

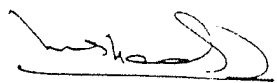
- xiv. PW-14 Mr. Zahir Shah, DG (Operation) NAB HQ deposed that he produced the original covering letter of UK Central Authority, photocopy of which is dated 27.03.2018 as Exh. PW-14 1 and other document received in response of MLA as Exh. PW-14 2 to PW-14 29.
- xv. PW-15 Mr. Wajid Zia, head of the JIT appeared as PW-15 and made statement that vide judgment & order dated 20.04.2017 Exh. PW-15 1 the Hon'ble Supreme Court of Pakistan announced setting up of Joint Investigation Team (JIT) members of which to be drawn from SECP, SBP, NAB, MI and ISI; the Hon'ble Supreme Court directed the JIT to answer specific questions regarding setting up of Gulf Steel Mill, what led to its sale, what happened to its liability, where the sale proceed ended up, how did they reached Qatar, UK and KSA, sudden appearance of letters of Prince Hammad is myth or reality including the questions where did the money for the Flagship Investment Ltd. and other companies set up taken over by the Respondent No.8 (Hassan Nawaz Sharif) come from and where did the working capital of these companies come from? PW deposed that JIT was directed to collect evidence, if any, to show that accused Mian M. Nawaz Sharif or any of his dependents or benamidars owns or possess assets, disproportionate to their known source of income. It came in the evidence of PW that vide Exh. PW-15 2, the Hon'ble Supreme Court announced the names of JIT; on the request of JIT, Mo Law & Justice vide letter dated 18.05.2017 Exh. PW-15 3, authorized the PW to exercise powers under section 21 of NAO, 1999 and initiate Mutual Legal Assistance (MLA) request and received its response; JIT sent MLAs to UAE and UK relevant for this reference amongst other; only response received was from UAE; JIT collected record from different departments like FBR and SECP etc.; recorded statement of Tariq Shafi, Shahbaz Sharif, Hassan Nawaz, Hussain Nawaz, Maryam Safdar and other; JIT also collected the record from the august Supreme Court of Pakistan of CMAs submitted by the petitioner and Respondents in CP No. 29 2016 etc. CMA No. 7531 2016 submitted by Maryam Safdar, accused Hussain Nawaz and Hassan Nawaz Exh. PW-15 4, Affidavit of Tariq Shafi dated 12.11.2016 Exh. PW-15 5 annexed with CMA No. 7531 2016; share sale contract of 75% of year 1978 Exh. PW-15 6 annexed with CMA No. 7531 2016; partnership agreement in the year 1978 Exh. PW-15 7 between Mr. Alhi and Tariq Shafi annexed with CMA No. 7531 2016; share sale agreement dated 14.04.1980 Exh. PW-15 8 with CMA No. 7531 2016; CMA No. 432 2017 Exh. PW-15 9 submitted by Hussain Nawaz and Hassan Nawaz; Affidavit of Tariq Shafi dated 20.01.2017 Exh. PW-15 10 annexed with CMA No. 432 2017; letter of Prince Hammad bin Jasim Al-Thani dated 22.12.2016 Exh. PW-15 11 with CMA No. 432 2017, worksheet for settlement "annexure-G" Exh. PW-15 12



24.12.18

JUDGE
Accountability Court-2
Islamabad

annexed with CMA No. 432 2017; statement of Prince Hammad bin Jasim Al-Thani dated 15.11.2016 Exh. PW-15 13 submitted by Maryam Safdar and accused Hussain & Hassan Nawz vide CMA No. 7638 2016. MLA response from UAE dated 28.06.2017 Exh. PW-15 14 and enclosure of this MLA response Exh. PW-15 15 & PW-15 16; Letter dated 13.05.2017 from JIT to Mo Foreign Affairs Exh. PW-15 17; Letter dated 13.05.2017 from JIT to Hammad Bin Jasim Exh. PW-15 18; Letter dated 15.05.2017 of Afaaq Ahmed Exh. PW-15 19; Letter dated 16.05.2017 JIT to Mo Foreign Affairs Exh. PW-15 20; Letter dated 18.05.2017 Afaaq Ahmed regarding delivery report Exh. PW-15 21 and enclosure of this letter marked PW-15 A; Letter dated 24.05.2017 from JIT to Sh. Hammad Bin Jasim Exh. PW-15 22; Letter dated 24.05.2017 JIT to Mo Foreign Affairs Exh. PW-15 23; Letter dated 30.05.2017 from Afaaq Ahmed to Head of JIT Exh. PW-4 1; Letter dated 19.06.2017 Afaaq to head of JIT Exh. PW-15 24; Letter dated 23.06.2017 Exh. PW-15 25 with enclosure marked PW-15 B & PW-15 C; Letter dated 22.06.2017 from JIT to Hammad bin Jasim Exh. PW-15 26; Letter dated 03.07.2017 Exh. PW-15 27; Letter dated 04.07.2017 Exh. PW-15 28; Letter dated 28.05.2017 from Sadia Gohar with attestation of Afaaq Ahmed Exh. PW-4 2; Letter dated 24.05.2017 from Sh. Hammad Bin Jasim Exh. PW-15 29; seizure memo of Afaaq Exh. PW-4 4; copy of letter dated 14.06.2017 marked PW-15 D; Letter dated 11.06.2017 from Hammad bin Jasim Exh. PW-15 30; Letter dated 28.06.2017 from Shehzad Ahmed Exh. PW-15 31; Letter dated 26.06.2017 from Hammad Bin Jasim to JIT Exh. PW-15 32; copy of DHL delivery report marked PW-15 E; Letter dated 06.07.2017 Hammad bin Jasim to JIT marked PW-15 F; e-mail on 06.07.2017 marked PW-15 G; Letter dated 07.07.2017 Exh. PW-15 33; transmission report dated 05.07.2017 marked PW-15 H; Letter dated 04.07.2017 Exh. PW-15 34; copies of financial statements of Flagship Investments Ltd. marked PW-15 J-1 to PW-15 J-15; copies of the financial statement of Flagship securities marked PW-15 K-1 to PW-15 K-10; copies of the financial statement of Que Holdings marked PW-15 L-1 to PW-15 L-13; copies of the financial statement of Quint Ltd. marked PW-15 M-1 to PW-15 M-40; copies of the financial statement of Quint Eaton Place No 2 marked PW-15 N-1 to PW-15 N-4; copies of the financial statement of Quint Gloucester marked PW-15 O-1 to PW-15 O-8; copies of the financial statement of Quint Paddington Ltd. marked PW-15 P-1 to PW-15 P-8; chart of profit & loss, movement of funds and funding of accused Hussain Nawaz companies for the period 2001-2008 Exh. PW-15 35 and for the period 2009-2016 Exh. PW-15 36; chart of income tax & wealth tax returns of accused Hussain Nawaz Sharif Exh. PW-15 37; Hassan Nawaz Sharif Exh. PW-15 38; Mian M. Nawaz Sharif Exh. PW-15 39; documents pertaining to the loan extended by Hassan Nawaz Sharif to the Ch. Sugar Mill in year 2009-2010 marked PW-15 Q; employment certificate by Jajza of accused Mian M. Nawaz Sharif as



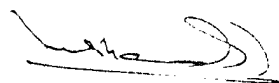
24.12.18

JUDGE

Accountability Court-2
Islamabad

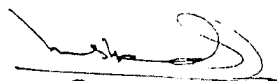
Chairman of Board of Capital FZE and related record Exh. PW-15 40-1 to 4; employment contract for sponsor staff of accused Mian M. Nawaz Sharif Exh. Pw-15 41; employment contract amended of accused Mian M. Nawaz Sharif Exh. PW-15 42; Jafza Visa related form of accused Mian M. Nawaz Sharif Exh. PW-15 43; original letter of Prince Hammad bin Jasim dated 17.07.2017 Exh. PW-15 44 and letter from Foreign Secretary Exh. PW-15 45 addressed to Supreme Court of Pakistan with enclosures envelop Exh. PW-15 45-1 and letter of Registrar Supreme Court Exh. PW-15 45-2.

Mr. Wajid Zia stated that Hassan Nawaz and Hussain Nawaz accused through CMA No. 7531/2016 Exh. PW-15 4 explained acquisition of Aven feild and further explained in year 1974 Mian M. Sharif established Gulf Steel Mill and Mian Tariq Shafi was Benamidar for Mian M. Sharif while there was another partner M. Hussain. In 1978, 75% shares of GSM were sold to Abdullah Kayad Ahali which went to clearance of the liabilities. In 1980 25% share owned by Tariq Shafi in renamed Ahali Steel Mill was sold and proceed of it 12 million AED invested with Al-Thani family Qattar, as per averment in the CMA accused Hussain Nawaz was to be beneficiary of this investment Tariq Shafi vide Exh. PW-15 5 explained that the Gulf Steel Mill in 1974 was set up along with M. Hussain and he further explained that mill was set up with loan from banks with zero equity. In second affidavit Exh. PW-15 10 Tariq Shafi try to explain that 12 million AED as sale proceeds of 25% share in Ahali mill was received by him in 6 x installments in cash from the Abdul Rehman Ahali and deposited with Hammad Bin Jasim, no documentary proof of this assertion given by the accused and Tariq Shafi. Tariq Shafi did not explain the role of M. Hussain. According to statement of PW Wajid Zia, Tariq Shafi did not receive amount 12 million AED which he claimed to deposit with Hammad Bin Jasim. Because as per Exh. PW-15 6 after sale of 75% share of Gulf Steel Mill to Abdullah Kayid Ahali, which consumed towards the liabilities, as per the contents of Exh. PW-15 6 there was an additional liability of 14 million AED which was the responsibility of the Tariq Shafi to clear; agreement dated 14.04.1980 Exh. PW-15 8 shows Shahbaz Sharif as representative of Mr. Tariq Shafi but in column of signature under the name of Shahbaz Sharif Mr. Tariq Shafi had signed. Both Tariq Shafi and Shahbaz Sharif before JIT denies the signature over it. There was a provision of bank guarantees for the payment in this agreement but no document relating to bank guarantee was produced. The agreement bears the stamp of Dubai court Notary Public dated 30.05.2016. PW states that JIT received response of MLA Exh. Pw-15 14. This MLA response states that after searching the Dubai Court system record regarding Ahali Steel Mill (erstwhile Gulf Steel Mill) it is certified that share sale agreement for the 25% share of Ahali Steel mill date 14.04.1980 does not exist, no transaction worth 12 million AED as sale of 25% share of


24.12.18
JUDGE
Accountability Court-2
Islamabad

Ahli Steel Mill in name of Tariq Shafi ever took place, no record could be found to show that notarization of this document was ever done by the Dubai Notary Public on 30.05.2016. MLA informed that no banking record could be found for the payment of 12 million AED from Abdul Rehman Ahali to Tariq Shafi. Agreement dated 14.04.1980 turned out to be a fake document. Another question relating to the liabilities of 14 million AED which was the responsibility of the Tariq Shafi, according to the agreement of sale in year 1978, this liability include an amount of 6 million AED to BCCI, the UAE response to the MLA also provide an enclosure whereby Tariq Shafi was sentenced for defaulting of loan that he obtained from BCCI, this loan was obtained on an account that was opened by Tariq Shafi with BCCI in 1986 and as per banking practice no opening of new account was possible if the person is already defaulted of bank loan. This clearly shows that liabilities were cleared but none of accused Tariq Shafi could provide any satisfactory answer from which source they were cleared; JIT in answer to this question concluded that sale proceed of Gulf Steel Mill never reached Qattar, UK and Jaddah.

PW regarding answer to the questions posed by the Supreme Court stated that letter of Hammad Bin Jasim Alhani Exh. PW-15/13 & 11 explained the investment of 12 million AED in 1980 was made for the benefits Hussain Nawaz Sharif and second letter explained that the payment was made on the direction of accused Mian M. Sharif; some expenses were made which were taken into account at the time of final settlement; worksheet Exh. PW-15/12 shows payment made to Al-Taufeeq company in year 2000 but this was without any supporting bank record; three payments between years 2001-2003 amounting to 5.41 million dollars made to Hussain Nawaz; again no document in support of it was produced by the accused; worksheet shows payment made to Hassan Nawaz amounting to 4.2 million dollars between the years 2001-2004 and no document in support of this was produced any of the accused; accused Hussain Nawaz stated before the JIT that at the time of settlement he had faxed this document to Hassan Nawaz Sharif for confirmation but Hassan Nawaz Sharif stated that he has not seen this document before nor aware of any worksheet; Hassan Nawaz further stated he has not received any amount from anyone else than Hussain Nawaz and did not know where from Hussain Nawaz got this amount; accused persons stated before the JIT that no agreement was made in year 1980 between Mian M. Sharif and Qattar Royal family regarding investment of 12 million AED; PW stated that worksheet has been constructed to artificially connects the dots in the money trail and the appearance of the 2 x letters of Hammad bin Jasim is myth and not reality, furthermore Hammad bin Jasim inspite of best effort of JIT did not join proceedings and raised flimsy legal issues about the jurisdiction and soliciting assurance from JIT regarding non-appearance before the Court; in CMA No. 432/2017


 24.12.18
 JUDGE
 Accountability Court-2
 Islamabad

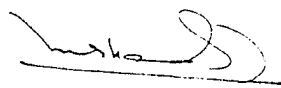
Exh. PW-15 19 Hassan Nawaz admitted establishing of Flagship Investments Ltd. in 2001 and claimed 4.2 million dollar between period 2001-2004 arranged by his grand-father (Mian M Sharif); Hussain Nawaz informed the Hassan Nawaz in 2005 that this amount has been caused to send by Hammad Bin Jasim. this assertion of Hussain Nawaz and CMA No. 432 2017 denied by Hassan Nawaz before the JIT.

PW Wajid Zia stated that JIT prepared 2x charts of the companies' transaction, loan and their profit and loss etc. for the period 2001-2008 Exh. PW-15 35 from 2009-2016 Exh. PW-15 36; companies of the Hussain Nawaz analysis of the 2x chart shows that companies has accumulated loss of more than 10 million pounds in this period; Hassan Nawaz injected loan of 4.2 million dollars in Flagship Investments Ltd. in period between 2001-2004 and total amount he injected in this company for the period 2001-2016 is about 3.2 million pounds.

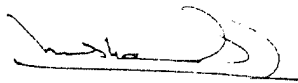
PW stated that transactions shows movement of funds and loan from company to company owned by accused Hassan Nawaz and also from the companies outside UK including a loan received by the Quint Paddington for about 615,000 pounds from the Capital FZE in financial years 2008 and described Capital FZE as a company incorporated in Dubai owned by one of HNS closed family members (transactions reflected in marked PW-15 P-1 & P-2 and also in Exh. PW-16 1118 & 119 Page 1347 to 1376 Vol. B-2). Accused Mian M. Nawaz Sharif was the Chairman of the Board of Capital FZE at the relevant time; a loan of 1.7 million pounds from Coomber incorporation (owned by Hussain Nawaz and admitted in CMA No.432 2017) to Que Holding in year 2007 marked PW-15 L-4 and Exh. PW-16 63 (Page 629 to 658 Vol B); a loan of 150,000 GBP from Coomber to Flagship Securities in year 2008 marked PW-15, K-3 (Page 279 & 287 Vol D.7) and Exh. PW-16 183 (Page 185 to 192 Vol C); a loan of 87 million from Hassan Nawaz to Ch Sugar Mill in year 2009-2010 marked PW-15 Q and Exh. PW-2 3 (P-481 Fol. E).

PW stated that accused established Flagship Investments Ltd. and other companies and injected heavy loans form un-known resources which they had to fail to justify.

- xvi. PW-16 Muhammad Kamran I have been serving as Deputy Director at National Accountability Bureau (NAB), Rawalpindi since 2016. In pursuance to the orders of august Supreme Court of Pakistan dated 28-07-2017 in C.P.No.29 2016, the Chairman NAB in exercise of powers vested under Section 34 of NAO, 1999 delegated powers to Director General NAB, Rawalpindi vide letter dated 01-08-2017 Ex.PW-16 1 at page 29 of Folder-A interim reference to authorize the investigation u s 18(c) NAO, 1999, against Muhammad Nawaz Sharif, Hassan Nawaz, Hussain Nawaz


24.12.18
JUDGE
Accountability Court-2
Islamabad

and others regarding establishment of Flagship Investments Limited and 15 other companies disproportionate to known sources of income (Under objection that this witness is neither the scribe nor the executant or even addressee of this document hence, it is neither admissible in the evidence through his deposition nor can it be got exhibited by him in his statement examination in chief or read in evidence as such. Furthermore, reference of the witness to decision of the august Supreme Court of Pakistan dated 28-07-2017 in C.P.No. 29/2016 is inappropriate and constitutes a sinister attempt to illegally and maliciously referred to said order of the august Supreme Court of Pakistan just to prejudice the mind of this learned court in as much as this order is totally irrelevant for the purposes of the instant trial, in that the trial is to culminate in a decision to be reached on the basis of the documentary and oral evidence to be produced in the instant case and not on the basis of any order or judgment passed by the august Supreme Court of Pakistan in C.P.NO. 29/2016 etc. as it also evident from the judgment cited as PLD 2018 Supreme Court 1 passed by the august Supreme Court of Pakistan in Civil Review Petition No. 29/2017 wherein the august Supreme Court of Pakistan as categorically held at Para 14 page 25 as follows: "the argument that this direction implies unambiguous approval of the material collected by the JIT whose prohibitive worth is yet to be established is also misconceived as none of our observations projects any such impression. The trial court in any case would be at liberty to appraise evidence including the material collected by the JIT according to the principals of the law of evidence without being influenced by any of our observations. Even otherwise all observations made in the judgment, being tentative, would not bind nor would restrained the trial court from drawing its own conclusions from the evidence recorded before it in accordance with the principals and provisions of the law of evidence..." The same was forwarded from NAB Headquarter (HQ) to Additional Director (Staff) NAB, Rawalpindi vide letter dated 01-08-2017 Ex.PW-16 2 page 30 Folder-A of interim reference. (Under objection that witness is inter-alia, neither scribe nor the executant or even addressee of this document hence, it is inadmissible in evidence). Subsequently the D.G. NAB Rawalpindi authorized the investigation to me vide letter dated 02-08-2017 Ex.PW16-3 page 31 Folder-A of interim reference with the directions to hold the investigation and submit final investigation report together with evidence and material collected for appraisal of competent authority. (Under objection that witness is inter-alia, neither scribe nor the executant or even addressee of this document hence, it is inadmissible in evidence) The Court in its order dated 28-07-2017 directed NAB to prepare and file references before Accountability Court, Rawalpindi Islamabad on the basis of material collected and referred to by the JIT in its report or such other material that may be available with NAB and FLA

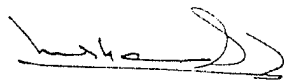


24.12.18
JUDGE
 Accountability Court-2
 Islamabad

having any nexus with the assets or that may subsequently become available including the material that may come before it pursuant to the MLA requests sent by JIT to various foreign jurisdictions. The NAB may also file supplementary reference if some other assets come on record. (Under objection that witness is reproducing contents of Order dated 28-07-2017). Accordingly letters as per procedure and practice in vogue were forwarded to D.G. FIA and D.G Operations NAB (HQ) for provision of record pertaining to the assets involved in the instant case. FIA in its reply stated that no such record was available with them whereas no reply was received from NAB HQ. Meanwhile I collected and examined relevant Court orders and final investigation report of JIT submitted before august Supreme Court of Pakistan. I also requested NAB HQ for provision of certified copies of C.P.No.29 2016, C.P.No.30 2016 C.P. No.03 2017, Court orders dated 20-04-2017, 28-07-2017, record of all CMAs submitted in the above mentioned C.Ps and any other material record incidental and ancillary with the instant matter. It was also requested that uncertified copies of the above mentioned record available with NAB HQ may also be provided.

After perusal and examining of JIT report, CMAs etc. record was summoned as per procedure from FBR and Chaudhary Sugar Mills Limited (CSML) pertaining to Tax record of accused persons and record of loan extended by accused Hassan Nawaz Sharif to CSML, respectively. The accused persons were also summoned as per procedure through call up notices dated 11-08-2017 already Mark as PW-3A for their appearance on 18-08-2017 at NAB Lahore (already under objection). The call up notices were forwarded to ADS NAB Lahore as per procedure for service upon the accused persons through process server. Accordingly Mr. Umer Daraz (PW-3) Sub Inspector P.S NAB Lahore served the notices on 17-08-2017. The statement of Mr. Umer Daraz was recorded u/s 161 Cr.P.C on 18-08-2017 and received his report already exhibited as Ex.PW-3 I regarding service of summons.

During further proceedings I through NAB HQ received attested copies of JIT report, certified copies of C.P.No.29 2016 Ex.PW-16/4 page 1 to 26 Folder-C of interim reference, certified copies of C.P.No.30 2016 Ex.PW-16/5 page 27 to 35 Folder-C of interim reference, certified copies of C.P.No.03 2017 Ex.PW.16/6 page 36 to 47 Folder-C of interim reference. (Under objection that copy of JIT report is neither attested as per law nor otherwise admissible being an Investigation Report, while C.P.No.29 2016, C.P.No.30 2016 and C.P.No.03 2017 are not admissible as the scribe, executant or attesting witness of any these C.Ps have not been cited as witness in the Reference). Certified copies of Courts orders in the above mentioned C.Ps dated 20-04-2017 as Ex.PW-15/1, order dated 05-05-2017 (both already exhibited under objection) as Ex.PW-15/2 and order dated 28-07-2017 Ex.PW-16/ page 537 to 561 Folder-B of interim reference (Under objection that the order is not relevant as evidence in the


24.12.18
JUDGE
Accountability Court-2
Islamabad

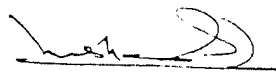
trial). Certified copies of CMAs through which the accused persons submitted their concise statements regarding sources and means for establishment and acquisition of assets abroad. These CMAs include CMA No. 7244 2016 Ex.PW-16 8 page 48 to 64 Folder-C of interim reference alongwith record annexed therewith. (Under objection that these documents are neither certified in accordance with law nor is the scribe, executant, or attesting witness of any of these documents has been cited as witness in the case). CMA No. 7319 2016 Ex.PW-16 9 page 390 to 399 folder-C of interim reference alongwith record annexed therewith. (Under objection that record annexed is neither certified as per law nor otherwise admissible in the absence of the scribe, executant or attesting witnesses thereof). CMA No. 7531 2016 already exhibited under objection as Ex.PW-15 4 alongwith record annexed therewith. (Under objection as above). CMA No. 432 2017 already exhibited under objection as Ex.PW-15 9 alongwith record annexed therewith (Under objection as above). The above stated record has been made part of the interim reference which is filed before this Learned Court

The JIT during its proceedings initiated MLA requests to different foreign jurisdiction. The same has been pursued through NAB HQ with the concerned authorities. However, till filing of the interim reference no record in response to the MLA requests was received.

Mr. Jahangir Ahmed (PW-1) Commissioner Inland Revenue (withholding Tax Zone) RTO-II Lahore joined investigation before me on 21-08-2017 and produced original as well as certified tax record pertaining to accused persons. The certified record details as mentioned in the seizure memo dated 21-08-2017 was taken over by me in the presence of witnesses vide memo Ex.PW-16 10 and my signature thereon as Ex.PW-16 10-1 page 27 to 28, and page 28, respectively. Folder-E of interim reference and the original record was returned to him. I recorded the statements of Mr. Jahangir Ahmed as well as witnesses of seizure memo u.s 161 Cr.P.C.

Mr. Shahbaz Haider Chief Financial Officer CSML joined the investigation before me on 21-08-2017 and produced certified copies of record pertaining to the loan extended by accused Hassan Nawaz Sharif amounting to Rs. 87348 million to CSML. The certified copies were taken over by me in the presence of witnesses, detail of the certified copies is mentioned in the seizure memo dated 21-08-2017 which is Ex.PW-16 11 and my signature thereon is Ex.PW-16 11-1page 479 Folder-E of (interim reference) I recorded the statements of Mr. Shahbaz Haider as well as witnesses of seizure memo u.s 161 Cr.P.C

Mr. Wajid Zia (Head of JIT), Additional Director General FIA Islamabad joined the investigation before me on 29-08-2017 and admitted the certified copies of JIT report alongwith record comprising Volume 1 to 9 including volume 8A and 9A and the contents therein. Mr. Wajid Zia provided copy of gazette notification dated 18-05-2017 already exhibited under objection as Ex.PW-15 3


24.12.18
JUDGE
Accountability Court-2
Islamabad

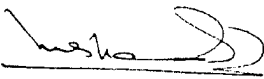
regarding conferring of powers to Head of JIT u/s 21 of NAO, 1999. I recorded the statement of Mr. Wajid Zia u/s 161 Cr.P.C.

In pursuance to the call up notices to the accused persons, the accused Muhammad Nawaz Sharif did not appear and join the investigation before me despite service of call up notice rather the accused had opted to reply through his counsel which is Ex.PW-16 12 page 22 Folder-E of interim reference dated 18-08-2017, stating that he had filed Review Petition against the judgment dated 28-07-2017 which is pending before the august Supreme Court of Pakistan. (Under objection that witness is deposing with respect to contents of documents, and he is not scribe or executant thereof).

Whereas the accused Hassan Nawaz Sharif and accused Hussain Nawaz Sharif neither joined investigation before me nor reply on their behalf in any manner was received from them

During my investigation it is established that accused Mian Muhammad Nawaz Sharif belongs to a businessman family and turned into political figure. (Under objection that this portion constitutes inference drawn by I.O. during investigation which is not admissible in law) He held various influential positions of national importance including the posts of Finance Minister Punjab, Chief Minister Punjab and Prime Minister of Pakistan at different times during 1981 to 2017 thus became the most influential person in Sharif family. (Under objection that this portion is opinion inference drawn by I.O. which is not admissible in law) Whereas the accused Hassan Nawaz Sharif and accused Hussain Nawaz Sharif are sons of accused Mian Muhammad Nawaz Sharif who remained students till 1995-1996 and 1999 respectively and they had no independent source of income at that time. (Under objection that this portion is opinion inference drawn by I.O. which is not admissible in law).

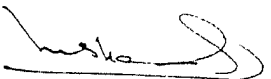
The tax record revealed that during 2000-2001 the net worth of accused Mian Muhammad Nawaz Sharif was Rs. 12.767 million, net worth of accused Hussain Nawaz Sharif was Rs. 33.805 million plus USD 64,984 and the net worth of accused Hassan Nawaz Sharif was Rs. 4.368 million. In this way the accumulative value of assets held by the accused persons were Rs. 50.94 million and USD 64,984. No substantial transformation has been observed during that period in the assets of accused persons. The accused persons neither declared any foreign assets during that period nor any amount was remitted for acquisition and establishment of assets acquired in the instant case. (Under objection that witness is deposing as to contents of documents, and he is not the scribe or executant thereof) Whereas the accused Nawaz Sharif during that period started establishing business in the name of accused Hassan Nawaz Sharif and Hussain Nawaz Sharif in K.S.A. U.A.E and U.K. Contrary to the financial position of accused persons the accused Hassan Nawaz Sharif after establishing his first company in April, 2001 with the name


24.12.18
JUDGE
Accountability Court-2
Islamabad

and style of Flagship Investments Limited injected an amount of GBP 705,071 as loan. (Under objection that this portion is opinion inference drawn by IO, which is not admissible in law)

Apart from that the accused Hassan Nawaz Sharif has admittedly acquired a BVI Company Hangan properties Holding Limited that carried one of the prime and expensive properties of U.K i.e. 1-Hyde Park, London in 2007. The accused Hassan Nawaz Sharif also established a company in UAE with the name and style of Capital FZE in October, 2001 in which the accused Nawaz Sharif remained Chairman of the Board. The accused Hassan Nawaz also extended various amounts in the form of loan amounting to GBP 3.2 million during 2001 to 2007 claiming an amount of GBP 2.4 million from accused Hussain Nawaz Sharif out of the proceed from Qatari investment. The accused persons also circulated different amounts in the form of loans between their U.K and non U.K companies. These amounts include loan of about GBP 615,000 from Capital FZE, UAE to Quint Paddington Limited in 2008. Notes to the financial statement of Quint Paddington Limited for the year ended 31st March, 2008 shows Capital FZE a company owned by close family member of HN Sharif. Loan from Coomber Group Inc a BVI company owned by accused Hussain Nawaz Sharif amounting to GBP 1.7 million to QUE Holdings during 2007 and loan amounting to GBP 313,000 to Flagship Securities Limited during 2008 to 2011. Loan from accused Hassan Nawaz Sharif amounting to Rs. 87,348 million to CSMIL during 2009-2010. These loans are reflected in financial statements as interest free, unsecured, long term in nature and having no fixed term for repayment. Infact most of the loans has never been returned and used ultimately for benefit of their family. (Under objection that this entire portion is "hearsay", and the witness is deposing with respect to contents of documents of which the scribe or executant have not been cited as witnesses)

The plea taken by accused Mian Muhammad Nawaz Sharif before every forum that he has no concern with these assets, however, was found by me implausible, unnatural and untrue as these assets were held by accused Hassan Nawaz Sharif claiming finances from accused Hussain Nawaz Sharif while they had no independent source of income at that time. (Under objection that this portion of the witness' statement constitutes an opinion inference drawn by IO, which is not admissible in evidence) Whereas the plea taken by accused Hassan Nawaz and accused Hussain Nawaz regarding the source utilized and money trail regarding the acquisition establishment of above stated assets has been found false and contradictory specifically after receiving reply in response to the MLA request from Ministry of Justice UAE dated 28-06-2017. (Under objection that this portion of the witness' statement constitutes an opinion inference drawn by IO which is not admissible in law evidence) Therefore, the consideration, resources utilized


24.12.18
JUDGE
Accountability Court-2
Islamabad

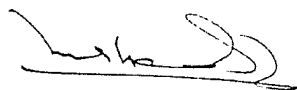
and the money trail regarding establishment of these assets remained un- substantiated and unexplained by the accused persons. (Under objection that this portion of the witness statement constitutes an inference drawn by the I.O which is not admissible in evidence). Despite given various opportunities at different forum including the opportunity given at NAB during investigation proceedings

It is also revealed in my investigation that the tax returns of accused Mian Muhammad Nawaz Sharif for the years 2011 and 2012 shows receiving of income salary from C'SML. (Under objection that this portion constitutes hearsay and the witness is deposing about contents of documents and that too of which he is neither the scribe nor witness executant).

The accused Hassan Nawaz and Hussain Nawaz having no independent sources of income acted as benamidar and assisted and abetted accused Mian Muhammad Nawaz Sharif by holding ostensibly the businesses, companies (established in UK, UAE and BVI) and the properties associated with these companies for and on behalf of accused Mian Muhammad Nawaz Sharif. Whereas these properties assets are disproportionate to his known sources of income and the accused persons have failed to reasonably account for acquisition of these assets. (Under objection that this portion of the witness' statement constitutes an inference drawn by the I.O which is not admissible in evidence).

On the basis of material collected and referred to by the JIT and the investigation proceedings carried out at NAB I submitted my interim investigation report alongwith evidence before the competent authority recommended for filing of reference against accused Mian Muhammad Nawaz Sharif, accused Hussain Nawaz Sharif and accused Hassan Nawaz Sharif u.s 9(a)(v) and (xii) of NAO. 1999. The competent authority after appraisal of investigation report and material placed on record approved filing of reference on 07.09.2017, and referred before the learned Accountability Court for trial of accused persons.

It is transpired during my investigation that accused Hassan Nawaz and accused Hussain Nawaz having no independent source of income acted as benamidar and assisted and abetted by holding ostensibly the companies, investment made therein and the properties associated with these companies for and on behalf of accused Mian Muhammad Nawaz Sharif. These assets are thus disproportionate to their known sources and the accused persons failed to reasonably account for the acquisition of these assets. After collection and examination of the record collected during investigation proceeding and statement of witnesses, I prepared my supplementary investigation report dated 12.02.2018, and submitted before to the competent authority with the recommendation that reference may be filed against the accused Mian Muhammad Nawaz Sharif, Hussain Nawaz and Hassan Nawaz under Section 9 (a)(v) & (xii) of NAO 1999. The



24.12.18

JUDGE

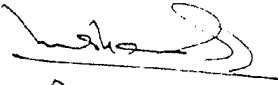
Accountability Court-2
Islamabad

competent authority after perusal of investigation report and material collected approved the reference dated 14.02.2018, and sent it before learned Accountability Court for trial against the accused persons.

PW also deposed about the Mutual Legal Assistance request and his going to UK for obtaining documents pertaining to the properties of Hassan Nawaz Sharif's companies and produced the attested copies of Notarial Apostille Certificates, Historical, Official copies of Register of Titles and copies of OCI or HCI including Financial Statements and Director Reports etc. placed as record as Ex.PW-16 1 to Ex.PW-16 207 and mark PW-16 a to PW-16 z.

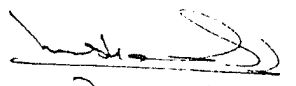
10. Statement of the accused under Section 342 Cr.P.C was recorded in two sessions on 05.12.2018, and 06.12.2018 putting all the incriminating evidence both oral and documentary in shape of the questions answers 140 in numbers. While answering to the question No. 137, why this case against you and why the PW's deposed against you? He replied as follows:-

The instant case has been filed against me pursuant to certain allegations made by my political opponents, and the subsequent contentious issues arising from the utterly biased and one-sided Report submitted by the Joint Investigation Team before the august Supreme Court of Pakistan in relation to Flagship companies, assets and business whereof actually belonged belong to my younger son, viz. Hassan Nawaz Sharif, but have been wrongly attributed to me as the real owner in the JIT Report. The factual issues raised, allegations made and the conclusions drawn in the JIT Report as aforesaid were duly contested by me, as well as the other Respondents in the proceedings before the august Supreme Court of Pakistan, and it was in pursuance thereof that the Hon'ble Supreme Court of Pakistan, considering that it could not decide contentious factual issues itself, decided to refer the matter, for purposes of setting at rest the controversy raised by my political opponent and in the JIT Report, through regular legal proceedings before the appropriate forum provided by law. Thus, although an Hon'ble Bench of the august Supreme Court of Pakistan had referred the matter to NAB for filing of this Reference, this referral was necessitated by the unnecessary factual controversies raised in the JIT Report. In this context, it is pertinent to submit further that the hon'ble Bench of the august Supreme Court of Pakistan has itself not adjudicated upon or determined the factual questions arising for adjudication in the instant case.


24.12.18
JUDGE
Accountability Court-2
Islamabad

rather the august Supreme Court of Pakistan while deciding Civil Review Petition No.310/2017, 311/2017 and 312/2017 respectively in C.P. No.29/16, C.P.No.30/16 and C.P.No.03/17, has made, with reference to the merits of the conclusions drawn in the JIT Report, clear and unambiguous observations to the effect that "the probative worth of the JIT Report is yet to be established", and that for purposes of adjudication of this case, "the trial court would be at liberty to appraise evidence, including the material collected by the JIT, according to the principles of the law of evidence, without being influenced by any of the august Supreme Court's observations. In fact, to ensure that no ambiguity remains in the field on this count, the honorable Supreme Court of Pakistan has further clarified that "all the observations made in the judgment, being tentative, would not bind nor would restrain the trial court from drawing its own conclusions from the evidence recorded before it in accordance with the principles and provisions of the law of evidence."

As to why the PW's have deposed against me, the fact of the matter is that in this Reference, no witness as such has made any statement incriminating me in the charge framed in this case. Rather only the two Investigating Officers, namely Mr. Wajid Zia PW-15, and Mr. M Kamran, PW-16, i.e. I.O. belonging to NAB, have attempted to implicate me in the charge as framed in this Reference. However, their testimony as such is not based on their personal knowledge vis-à-vis the allegations forming the basis of the charge against me. Nor have they claimed to have any such personal knowledge during the course of their deposition. As regards the evidence collected by them it is admitted by each of them that they never came across any oral or documentary evidence showing that I was the owner of Flagship Investments Ltd., Flagship Securities Limited, Que Holdings Limited, Quint Limited, Quint Eaton Place No.2 Limited, Quint Gloucester Place Limited, Quint Paddington Limited, Harstone Limited, Flagship Development Limited, Quint Sloane Limited, Quint Eaton Limited, Capital FZE or any other company owned, or have been set up or taken over by accused Hassan Nawaz Sharif in UK or anywhere else in the world, or that I had in any manner contributed or arranged for any money for the establishment, operation or running of the business of any of the companies, or that I had ever participated in the running or operations of the businesses of any of these Entities, or maintained any Bank Account, or served as their authorized representative, agent or in any managerial capacity, or was ever in control of their respective operations. Similarly, it stands admitted by each, or one or other of these PW's that they had not come across any oral or documentary evidence showing that any of my children were my dependents, inter alia, at the time of establishment of Flagship Investments Ltd. or other companies mentioned hereinabove, or that I had ever provided funds required for their day-to-day living expenses or for running of any of their businesses abroad. It is thus evident that no case as

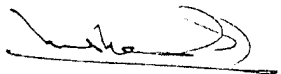

24.12.18
JUDGE
Accounts by Court-2
Islamabad

per Charge framed in this Reference is made out against me. Yet these two PW's IOs have gone out of their way during the trial proceedings to somehow incriminate me in this case on one pretext or the other. In this respect the statement of the NAB I.O. (PW-16) unequivocally establishes that he was convinced that in the instant case NAB had no option but to file a Reference, hence he evidently conducted the investigation and got his deposition recorded to support the allegations made against me and my children irrespective of the fact that these allegations had no merit. While as regards, PW Wajid Zia, PW-15, he too felt obligated to implicate me in some wrongdoing or the other apparently by misconstruing the essence and purport of the judgment orders dated 20.04.2017, 28.07.2017 and 15.09.2017 (of which detailed reasons were released on 07.11.2017) passed by the hon'ble Supreme Court of Pakistan in Constitutional Petitions No.29/2016, 30/2016 and 3/2017 and CRP No.310/2017, 311/2017 and 312/2017 respectively. Be that as it may, the fact remains that notwithstanding the reasons that prevailed with these two PW's to implicate me in some manner or the other in the charge as framed in the instant case, the testimony of each of these PW's IOs in this respect does not qualify as evidence, rather it is based on inferences and conclusions drawn on the basis of conjecture and surmises, and, as such, neither qualifies, nor can be relied upon, as evidence in this case. Further, I shall submit written statement u/s 265-F (5) Cr.P.C. for placing the same on record.

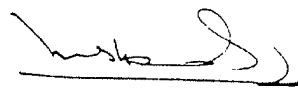
11. Accused neither produce any witness nor opted to appear in his own defence for making statement on oath under section 340 (2) Cr.P.C however, he produced certified/attested copies of Petitions, Orders and Judgments with his written statement under section 265-F (5) of Cr.P.C as Mark D-1 to D-16. Subsequent thereto accused also tendered in his defence attested Historical/Official copies of Register of Title of the properties in UK from Land Registry Department UK, London as Exh. D-1 to Exh. D-21 and defence side stood closed.

12. Khawaja Haris Ahmed Sr. Advocate on behalf of accused Mian Muhammad Nawaz Sharif has made inter-alia following submissions during his arguments:-

- a. Learned defence counsel while giving a broader introduction of the case commenced his arguments by submitting that accused Hassan Nawaz Sharif was adult and independent and Mian Muhammad Nawaz Sharif had no concern whatsoever with businesses of his son, as he remained entangled in politics.


24. 12. 18
JUDGE
Accountability Court-2
Islamabad

- b. It is further submitted that Mian Muhammad Sharif set-up GSM through Mr. Tariq Shafi as a benamidar. 75% shares of which was sold through agreement in the year 1978. to one Abdullah Kayid Ahli and thereafter, the name of the GSM was changed to Ahli Steel Mills, subsequently in the year 1980, the remaining 25% shares of the Ahli Steel Mill were sold too by Mr. Mian Muhammad Sharif through Tariq Shafi to Abdullah Kayid Ahli and Mian Muhammad Sharif being actual owner received the sale proceed of the 12 million AED.
- c. That in the setting up of business and sale of GSM, accused Mian Muhammad Nawaz Sharif had never participated or taken part in any of the transaction related thereto; that as per the statement of the accused Mian Muhammad Nawaz Sharif before the JIT, he visited once or twice in UAE in those years.
- d. It is further submitted that Mr. Mian Muhammad Sharif placed the said amount of Rs. 12 million with Jabir Bin Jasim Al-Thani for investment of that much amount in the real estate business of Al-Thani family.
- e. That Mr. Mian Muhammad Sharif was incharge of all of the affairs and he had been providing money for the maintenance and other expenses of Hussain Nawaz Sharif and Hassan Nawaz Sharif and other of his grandsons, so much so even when they were studying abroad and living in UK.
- f. Learned defence counsel went on saying that all the facts related to ASCL and HME with reference to the stance taken by the accused Hassan Nawaz Sharif and Hussain Nawaz Sharif before the JIT in their concise statement or otherwise could not be construed to be that of Mian Muhammad Nawaz Sharif as he never had any nexus with any of the above said business entities, acquisition of the assets running of the businesses, control of its affairs and managing its finances, as he remained entangled in the political activities and never adverted thereto.




24.12.18

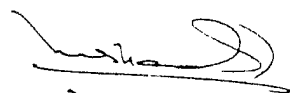
JUDGE

Accountability Court-2
Islamabad

- g. Learned defence counsel read out the definition of section 9(a)(v), the definition of words "benamidar", "dependent" and "associate" etc. of the NAO, 1999 and also took the court through section 4(1)5(2) of Cr.P.C. and Article 59 to 65 of Qanoon-e-Shahadat Order, 1984 and then submitted that whatever has been done by the JIT are falls within the definition of investigation and all the statements recorded by the JIT and inference drawn, analysis made and conclusion arrived by the JIT are inadmissible and could not be read in evidence. It is submitted that Hussain Nawaz Sharif was born in the year 1972 and in the year 2001 he was about 29 years, whereas Hassan Nawaz Sharif was born in the year 1976 and in the year 2001 his age was about 25 years. As such they both were major and they started businesses at their own under the supervisions and with the aid of their grandfather and Mian Muhammad Nawaz Sharif had never contributed any finance or injected any equity in their businesses.
- h. Admittedly the JIT has not collected any evidence oral or documentary showing that they both were dependent of accused Mian Muhammad Nawaz Sharif the inference contrary thereto, drawn by the JIT in this regard if any is without any substance and not acceptable on any judicial standard.
- i. That in the wake of Panama paper leaks the address to nation and speech on the floor of the National Assembly by Mian Muhammad Nawaz Sharif as the then Prime Minister of Pakistan was just to clarify the position of his family and were not based on any personal information of accused Mian Muhammad Nawaz Sharif, as he has clarified during trial especially his statement u/s 342 Cr.P.C. that the information so rendered by him at that juncture were provided to him by accused Hussain Nawaz Sharif and Hassan Nawaz Sharif and were derived from the documents provided by them relating to the Gulf Steel Mills and Al-Azizia Steel Company to him.

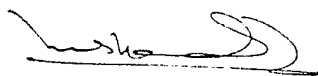

24.12.18
JUDGE
Accountability Court-2
Islamabad

- j. That the questions were posted by the august Supreme Court of Pakistan to the JIT to be answered after investigation and I.O was also authorized investigation by the DG NAB but it is manifest from the statements of both the PW-15 and PW-16 that no independent investigation was conducted by the JIT or I.O of the case and whatever material they collected from the august Supreme Court of Pakistan and was made available to the JIT by the accused Hussain Nawaz Sharif, the JIT without investigation of any relevant aspects of those documents made its analysis and information inferences thereon which is not permissible as per law and was much beyond their jurisdictions sphere and competency.
- k. That statements recorded by the JIT, and conclusions whose, drawn opinions in the report of JIT are not admissible under section 161 Cr.P.C and could only be used by the accused w/s 162 Cr.P.C for the confrontation purpose only. Similarly I.O could not adduce any conclusion and its function was mainly to collect the evidence and place the same before the court without making any personal opinions or inference therefrom. That the conclusions so drawn by the JIT besides being in admissible are without any foundation and not supported by any evidence collected during the investigation with reference to the Mutual Legal Assistance response etc.
- l. Learned defence counsel further submits that before initiating any MLA request, the documents had come on the record of the JIT and PW-15 had admitted that the JIT had gone through the same but intentionally the correct particulars and complete name of the GSM, ASCL and HME, the exact information to be elicited were not incorporated in the MLA's requests from the tenor of the contents thereof, it is manifest that JIT had not made any sincere effort to get correct information with reference to GSM, ASCL or HME as mentioning of incorrect names and other particulars are indicative of


24.12.18
JUDGE
Accountability Court-2
Islamabad

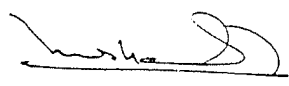
that JIT was not genuinely interested to get the true picture of the facts from the foreign jurisdiction.

- m. That the MLA response from the UAE has been illegally made basis for discarding the stance of the defence put forth by accused Hussain Nawaz Sharif and Hassan Nawaz Sharif: that perusal of MLA request or response received thereof goes on show that the JIT knowingly had not correctly stated the point of transportation and destination of machinery of Ahli Steel Mill for the establishment of ASCL. In spite of the fact that LC was also produced by Hussain Nawaz Sharif before the JIT. The MLA request and response thereto are not inconsonance with the provision of section 21 of NAO, 1999 and prosecution has not been able to produce any person who has carried out search of record culminating into information on the basis of which the answers have been transformed and furnished from the UAE.
- n. That MLA response was not in accordance with the provision of section 21 of NAO 1999 and as such was not admissible in the evidence. With reference to call up notices learned defence counsel referred section 19 of the NAO, 1999 and pointed out that the call up notices should have been issued objectively while specifying purpose for which proposed person was called-up by the NAB authority but in the instant case, just in mechanical manner the process has been issued and the report thereof was procured just as an eyewash, to say that the accused was summoned; that no sincere effort was made by the I.O to serve the notices despite the fact that there were two addresses of the accused available with him; that the service of the notices on Muhammad Arif security officer of Jati Umrah Lahore could not be considered as a substitute service as for the reasons that no effort was made to serve the accused in person; especially when the said security officer admittedly was not having any authority to receive the notices or process on behalf of accused persons.



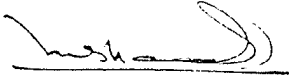
24. 12.18
 JUDGE
 Accountability Court-2
 Islamabad

- o. Learned defence counsel pointed out that the factum of notices were placed on the electronic media and the accused getting knowledge of the same has got sent his response to the I.O but irrespective of the same, the call up notices has a futile exercise not serving any purpose of the prosecution and objective set out of the law
- p. After reading much of the evidence, learned defence counsel when adverted to Qatri Royal's letters, he submitted that accused Mian Muhammad Nawaz Sharif has no concern with those letters and transactions mentioned therein, but as Hassan Nawaz Sharif and Hussain Nawaz Sharif have placed those letters on record and subsequently, JIT has also entered into correspondence process with Mr. Hammad Bin Jasim Althani of Qatar, hence, contents of those letters vis-a-vis attempts made by the JIT to join him with the investigation require examination with the concern. It is submitted that in the first letter, the Qatri Royals has categorically mentioned that Rs. 12 million were placed with Jabir Bin Jasim Althani by Muhammad Sharif which was invested in real estate business and in the second letter he mentioned and also placed on record the worksheet showing the accrual amounts from 1980 to 2006 stating about the final settlement made by the Qatri Royals.
- q. The JIT had not bothered to join him with the investigation. It is submitted that that Qatri Royals has throughout been showing his willingness to join the investigation conferring the contents of his those letters; that the JIT gradually changed the posture while using the harsh wording from "verify" to "investigation" and then to investigation sessions through which the JIT has dissuaded him to join the investigation. It has further been submitted that inspite of stringent condition imposed by the JIT, the Hammad Bin Jasim Althani had been showing his willingness for meeting with the JIT, while conferring the contents of both the letters but JIT and subsequently the I.O of the case had not made any


24.12.18
JUDGE
Accountability Court-2
Islamabad

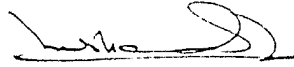
sincere effort to join him with the investigation; that findings of the JIT with reference to Qatri letters, declaring those as "myth" declaring the transaction of 25% shares to Gulf Steel Mill and concerning documents fake is not actually in admissible in evidence, rather is without any basis and just step of investigation as such the initiation of MLA and analysis of the paper documents pertaining to the properties of the accused Hassan and Hussain Nawaz Sharif was a colorful exercise of the jurisdiction by the JIT which is illegal, and inaccurate rather misleading to some extent.

- r. With reference to the CMAs, concise statements filed by Hussain Nawaz Sharif and Hassan Nawaz Sharif accused and documents annexed therewith, learned Defence Counsel submitted that the accused Mian Nawaz Sharif has no nexus with the same and those could not be read against him, as he had categorically stated in his own CMA that his sons were dependents and he had no concern with the properties maintained and businesses of GSM, ASCL and Hill Metal Establishment, Jeddah being run by them.
- s. Learned Defence Counsel submitted that the prosecution has not been able to collect any oral or documentary evidence showing that the accused Mian Muhammad Nawaz Sharif was having any nexus with the said business, concern PW-15 and PW-16 in their cross examination admitted that they have not recorded any witness showing that the accused Mian Muhammad Nawaz Sharif contributed any fund towards the acquisition, setting-up or running of the above said businesses. It has also been admitted by the JIT that through any independent source JIT had not also been collected any material from the foreign jurisdiction connecting accused Mian Muhammad Nawaz Sharif with the ownership, acquisition, setting-up or running of the above said business. It is further submitted that both the PWs and JIT had admitted that no evidence or document have collected during investigation showing


24.12.18
JUDGE
Accountability Court-2
Islamabad

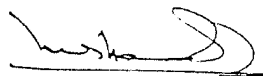
that accused had ever contributed, provided funds for the running and functioning of the businesses of the accused Hassan Nawaz Sharif and his companies.

- t. Learned defence counsel submits that judgment of august Supreme Court of Pakistan dated 20.04.2017, was passed with the majority of 3 to 2 and the majority judgment as per law will prevail and the minority judgment is to be considered non-existent as it cannot be enforced and acted upon; that in the judgment of the august supreme court of Pakistan dated 28.05.2017, the issue was of disqualification under Article 62 (i) (f) Constitution of Islamic Republic of Pakistan which resulted into the disqualification of accused Mian Muhammad Nawaz Sharif and he was disseated from Prime Minister-ship; that this decision was with reference to the disqualification peculiar while disposing the CPs and CMAs and the said judgment cannot travel further to the criminal proceedings pending before this court. On the issue of "*Sadiq and Amin*" Learned defence counsel argued that Article 3 of Qannoon-e-Shahadat Order, 1984 clearly mentioned the person debarred from deposing on oath but in the instant case the accused has not been convicted for perjury as he has not adduced any false evidence, hence, the issue of *Sadiq & Amin* has no relevancy in the instant matter.
- u. With reference to the Flagship Investments Ltd. and other companies of Hassan Nawaz Sharif. Learned defence counsel argued that prosecution has alleged that Hassan Nawaz Sharif had got incorporated the company in the year 2001 and subsequently, he acquired or incorporated the other companies but admittedly the present accused is neither the owner, proprietor or director of any of the said companies nor he has any concern with the same, except the Capital FZE and Quint Peddington regarding which he will addressed the court at relevant time; that the PWs during cross-examination have admitted that no asset, property or any of the company is in the name of the accused.
- v. Learned counsel further submitted that the charge against the accused is that he is actual owner of these companies and properties attached thereto and his son Hassan Nawaz Sharif held these companies' properties as his benamidar. Contrary to this, case of the defence is that the accused is not holding any company or property as actual owner nor Hassan Nawaz Sharif is his benamidar. Learned defence counsel while referring


 24.12.18
 JUDGE
 Accountability Court-2
 Islamabad

Section 5(c)(d) and (da) of NAO, 1999 read out the definitions of the "assets", "associates", "benamidar", and Section 9(a)(v) of NAO, 1999, he scanned through the evidence brought on record while submitting that prosecution has not been able to brought any oral or documentary evidence showing Mian Muhammad Nawaz Sharif as owner, proprietor, Director of any of the said company and property attached thereto, and unlike the reference No. 19/2017 nor any such evidence showing Mian Muhammad Nawaz Sharif as beneficial owner could have been adduced. No PW had stated before the JIT or this court, that accused Mian Muhammad Nawaz Sharif in any manner have any concern with the ownership or proprietorship of the said companies or properties attached thereto or with the business being run by the said companies; that during cross examination PWs 15 & 16 categorically admitted that they could have come across with any document showing Mian Muhammad Nawaz Sharif as owner, proprietor, director or controller of any of the above said companies/properties mentioned in the charge. Similarly they also admitted that they have not come across any documents bank record or oral evidence showing that accused Mian Muhammad Nawaz Sharif have injected any equity or provided or arranged any finances for the running and functioning of the business of the said companies.

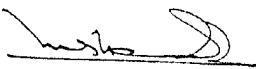
- w. Learned defence counsel pointed out that prosecution is not equipped with any bank record reflecting any remittance from any of the said company to the account of accused Mian Muhammad Nawaz Sharif, hence, he cannot be considered even beneficial owner. Learned counsel while going through the evidence collected by Mr. Wajid Zia Head of the JIT and Mr. Muhammad Kamran I.O of the case pointed out that Mian Muhammad Nawaz Sharif though has been shown as Chairman of the Capital FZE in some of the documents of JAFZA but this was an arrangement for the limited purpose of visa of UAE and this fact was never concealed by Mian Muhammad Nawaz Sharif, as he has mentioned this fact in the CMA file by him annexing his passport; that Capital FZE is a company which was incorporated by Hussain Nawaz Sharif in 2001 and after about 5 years thereof, Mian Muhammad Nawaz Sharif accused applied for visa in 2006 when his connection started depicting with FZE wherein he was shown as Chairman but the said designation of the company was just a nomenclature having no nexus in reality



24.12.18

JUDGE
 Accountability Court-2
 Islamabad

- connecting him with the said company or any business being run by it.
- x. Learned defence counsel readout the bank documents, the JIT report and other evidence pertaining to loans extended to Ch. Sugar Mills and contended that this amount was never received by accused or had poured into his account, as entire loan amount was retained by the Ch. Sugar Mills, out of which Rs. 29 million were transferred to Maryam Safdar and Rs. 50 million to Shamim Sugar Mills and not a single penny has come to accused Mian Muhammad Nawaz Sharif.
- y. While categorically analyzing the evidence brought on record, especially depositions of Mr. Wajid Zia, head of the JIT and Mr. Muhammad Kamran I.O of the case Learned defence counsel submitted that many documents including financial statement, financial notes, company record from the Land Registry Department i.e Historical/official copies of Register of Title pertaining to the companies of the accused Hassan Nawaz Sharif in UK and Offshore have been produced by the prosecution and also have been tendered by the accused in defence evidence but in none of these documents Mian Muhammad Nawaz Sharif accused figured, anywhere, in any capacity.
- z. Learned defence counsel went on submitting that income tax and wealth tax statements of the accused are admitted documents but the businesses and companies being run by Hassan Nawaz Sharif are not belonging to accused Mian Muhammad Nawaz Sharif nor remittances are shown to had dropped in his account clearly indicating that accused Mian Muhammad Nawaz Sharif had not been benefited ever from the assets of any of the company or account of accused Hassan Nawaz Sharif; that Charts pertaining to the entries of FBR record and anomalies alleged to have been observed by the JIT or the I.O. of the case therein are not part of the charge and prosecution has also not produced the person who had made those entries and fed the data thereof in the computer and Mr. Wajid Zia during cross-examination also had shown inability to answer the question regarding the correctness with reference to anomalies pointed out by the JIT; that irrespective of the objections of the defence with reference to the proof of the companies documents, Financial Statements, Officials and Historical Copies of Register of Title of the properties attached with the companies admitted position is that accused Mian Muhammad Nawaz Sharif has no nexus in any manner and in any capacity with any of the company of Hussain Nawaz Sharif accused

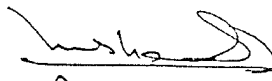

 24.12.18
 JUDGE
 Accountability Court-2
 Islamabad

except the company FZE and Quint Paddington and that does not showed Mian Muhammad Nawaz Sharif has got any amount for himself or had contributed or injected any equity for running of the business or functioning of the said companies.

zz. With reference to the documents annexed with the CMAs and concise statement learned defence counsel objected that those annexed documents are not attested as required under Article 187 of the QSO, 1984 and cannot be made basis for any adverse inferences against the accused as those documents have neither been produced by the accused nor he in any manner remained associated in any of the transactions culminating into and preparation thereof; that Mr. Muhammad Kamran I.O has collected documents pertaining to the companies of the Hassan Nawaz Sharif from Land Registry Office London UK but name of the accused Mian Muhammad Nawaz Sharif does not figure in any of the said documents which goes on to establish that even as per prosecution own stance accused Mian Muhammad Nawaz Sharif has neither any concern with the ownership, proprietorship of the said companies and properties attached thereto nor in any manner he had been benefited from the usufruct thereof. Learned defence counsel asserted as such that prosecution has miserably failed to even reasonably prove the ex-facie culpable case as against the accused which is condition precedent for shifting of onus of proof; that not an iota of evidence, directly or indirectly implicating the accused, both oral or as well as documentary, JIT, I.O or prosecution could have been able to collect and bring on record showing any connectivity of the accused Mian Muhammad Nawaz Sharif with the companies situated in London or offshore by Hussain Nawaz Sharif accused, hence he is entitled to be acquitted and reference is liable to be declined."

aa. Learned defence counsel placed reliance on citations which are mentioned below:-

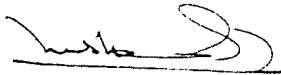
- i. 1993 SCMR 550 titled
- ii. 2003 M L D 676 at page 684 (Karachi)
- iii. P L D 2000 Lahore 216
- iv. P L D 2013 SC 472
- v. 2010 SCMR 660
- vi. 1996 CLC 79 at page 86 (Karachi)
- vii. 2004 P Cr. L J 371 (Federal Shariat Court)
- viii. 1999 S C M R 1245 SC


24.12.18
JUDGE
Accountability Court-2
Islamabad

- ix. PLD 2007 Karachi 469 PLD 2012 SC 903
- x. 1998 SCMR 1794
- xi. PLD 2011 SC 554 page 576 Para 17
- xii. PLD 2005 SC 63
- xiii. 2013 P Cr LJ 1607 (Peshawar)
- xiv. 2009 SCMR 790
- xv. 1992 M L D 383 at page 394 (Karachi)

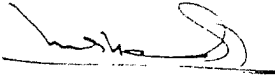
13. From prosecution side Mr. Sardar Muzaffar Abbasi, DPG, NAB and Mr. Asghar Awan Special prosecutor while arguing the case made following submissions:

- a. Standard of prove in white collar crime is altogether different than the other normal cases and in the cases of NAB, legally speaking, prosecution has not to prove the case beyond shadow of reasonable doubt as necessary in the common criminal cases. while referring 2002 YLR 27 at 37 he submitted in the instant reference the prosecution evidence is mostly consisting of the documents submitted by the accused before the august Supreme Court of Pakistan and before the JIT through which prosecution has established that accused Hussain Nawaz Sharif hold and possess the assets abroad that it is also on the record that Hussain Nawaz Sharif was not having any independent source of income at the time of establishment of Al-Azizia Steel Company and Hill Metal Establishment, Jeddah. That the defence plea explaining the trail of money by Hussain Nawaz Sharif through CMAs and in his concise statement before the august Supreme Court of Pakistan remained unsubstantiated and JIT when probed and received the response of Mutual Legal Assistance request sent by the JIT by the foreign jurisdiction, it transpired that that the 25% Shares Sale Agreement of 1980 submitted by Hussain Nawaz Sharif was fake and it does not exist. That about the other narrations regarding transportation of machinery by him also stand falsified by the Mutual Legal Assistance response with and the provision of


 24.12.18
 JUDGE
 Accountability Court-2
 Islamabad

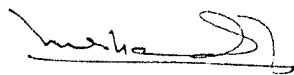
funds by Qatri Royals of Rs. 12 Million AED and accrual thereof has also not been substantiated and the JIT has held the same as a myth. As such the attempt of the defence to explain the money trail stand foiled.

- b. With reference to the objection of defence regarding JIT, learned prosecutor submitted that JIT was constituted by the august Supreme Court of Pakistan while hearing the C.Ps No. 29/2016, 30/2016 and 03/2017 and CMAs and concise statements file by the accused and his children's; that no reference was filed at that time, as such, whatever was done by the JIT, the defence has wrongly tried to paint the same as outcome of investigation. It is submitted that as such the purpose for the constitution of JIT was not to investigate the crime but it was to answer certain questions put forth to JIT by the august Supreme Court of Pakistan before filing of reference and initiation of the investigation. That the JIT report was even accepted as correct while relying upon the certain portion of the same in the judgment of the august Supreme Court of Pakistan, hence the statements recorded by the JIT and material collected therein during that time cannot be considered, as the proceedings under section 161 Cr.P.C and report submitted by the JIT does not fall within the definition of Section 173 Cr.P.C.
- c. It is further submitted that investigation in this reference was authorized by the Director General NAB under Section 18 (c) to Deputy Director, Mehboob Alam, I.O. of the case and head of the JIT appeared before the I.O as witness and got recorded his statement under section 161 Cr.P.C. Hence PW-21, Head of the JIT is the witness of the prosecution and could not be considered as I.O. of the case. While referring the judgment cited by the defence i.e. PLD 2018 SC 178, learned prosecutor submitted that the said judgment pertains to the ATA case and Anti-Terrorist Act itself under section 19 (5) envisaged the constitution of JIT in certain cases and report submitted by it as per the proviso of the same is to be considered under Section


 24.12.18
 JUDGE
 Accountability Court-2
 Islamabad

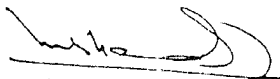
173 Cr.P.C It is submitted that the instant case is being dealt under NAO, 1999 wherein no such provision for the constitution of JIT does exist and investigation is authorized by the Chairman NAB under Section 18 (c & d) of the NAO, 1999 which cannot be equalized to the report under Section 173 Cr.P.C. Learned prosecutor went on saying that the scheme of law in Cr.P.C and the other special statute is altogether different than the scheme of law given in the NAO, 1999 which is special statute for eradication of corruption and corrupt practices and its preamble in very clear words made the person involving in the said crime under the said act as accountable for the assets and properties made, to explain as to how he has acquired the assets, amassed the money and accumulated the wealth. It is further submitted that the statements of the persons recorded by the JIT, documents collected and inferences drawn after analysing the same while examining the record so collected during the process is admissible in evidence.

- d. Learned prosecutor further pointed out that as envisaged in section 14 (c) of NAO, 1999 the inference could be drawn while deducing the logical conclusion from the fact and circumstances of the case. Learned prosecutor while referring certain parts from the address to nation on 05.04.2016 and the speech on the National Assembly Floor on 16.05.2016, pointed out that the accused Mian Muhammad Nawaz Sharif had attempted to give explanation for the assets of his sons while stating that he was equipped with much of the proof regarding the said assets but he failed to produce the same before the august Supreme Court of Pakistan, the JIT and even before this court. That in the august Supreme Court of Pakistan after submission of the JIT report certain objections were raised by the defence while submitting CMA No. 5035/2017. After hearing the same august supreme court of Pakistan was pleased to reject the said CMA and findings rendered


 24.12.18
 JUDGE
 Accountability Court-2
 Islamabad

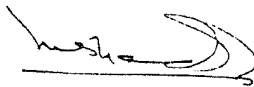
in the JIT were upheld as such it does not lie in the mouth of the accused to raise any question regarding the authenticity and veracity of the proceeding conducted, material collected and inference drawn and reference made by the JIT. That the Supreme Court of Pakistan after going through the record and report of the JIT has concluded that the prima facie cognizable case has been found committed and matter referred to the NAB authorities for preparation of the reference on the basis of the material collected and it was the statutory duty of the defence to dislodge the presumption of accumulation of wealth beyond means as pointed out in the report of the JIT against them. That Hussain Nawaz Sharif had earlier giving the money trail of the assets but subsequently absented along with Hassan Nawaz Sharif and only accused Mian Muhammad Nawaz Sharif has opted to appear before the court and face the trial but he also denied any of his knowledge and connection with the said assets. That prosecution recorded the statement of 22 witnesses and Plethora of documents produced and prima facie made a reasonable case of corruption and corrupt practices against the accused and successfully shifted the burden to him but accused miserably failed to discharge the same and the court as per section 14 (c) of NAO, 1999 can draw the inference as against him.

- e. Learned prosecutor pointed out that the accused has taken special plea adopting the stance of the Hassan Nawaz Sharif and has special Knowledge about the money trail regarding the assets as admitted in his speech but failed to produce those documents and has failed to discharge the burden of proof under Article 117, 119, 122 of QSO, 1984 and presumption is to be drawn against him under Article 129 (g) of the said order. That accused has taken the contradictory stance during the trial as well as in his statement under section 342 Cr.P.C which reflected upon his guilty conscious


 24.12.18
 JUDGE
 Accountability Court-2
 Islamabad


strongly suggesting towards his involvement in the crime.

- f. Learned prosecutor while reading out the contents of the interim as well as supplementary references pointed out that known sources of income of accused persons are admittedly to the tune of Rs. 5,09,40,870/- but this much amount has never been utilized and that is still intact and contrary to it, accused Hassan Nawaz Sharif (PO) happened to be the son of accused Mian Muhammad Nawaz Sharif had acquired companies and properties attached thereto worth millions of dollars which does not go in consonance with the known sources of accused persons.
- g. Learned prosecutor pointed out that in Panama Leaks accused and his family members were named as owners of the costly properties and offshore companies; that political uproar when aggravated, accused being Prime Minister at that time, opted to address the nation for giving money trail for the properties made and wealth accumulated by his sons abroad; that the accused in his address to the nation on 05.4.2016 admitted the existence of assets in the names of his sons abroad and subsequent thereto, the accused Mian Muhammad Nawaz Sharif also delivered a speech at the floor of National Assembly on 16.04.2016, wherein he also tried to give justification for his assets in the name of his sons in KSA and UK canvassing his view point with reference to the money trail regarding the assets and properties abroad; that in the address to the nation as well as speech accused unequivocally admitted that he was equipped with authentic documents and heap of proofs in support of those assets but when the matter was taken up by the august Supreme Court of Pakistan, accused did not furnish there any of the said proofs/documents.
- h. Learned prosecutor contended that the accused and his sons filed CMAs and concise statements, wherein they mentioned a detailed story explaining the money trail for their assets abroad; that the accused and his sons also annexed certain documents for supporting their stance but those were found dubious and unfounded, as such, the august Supreme Court of Pakistan constituted the JIT to investigate into the matter and submit report while answering certain questions posed to the JIT; that the JIT recorded the statements of the accused and his two sons besides the others concerned wherein they tried to justify the assets of accused and his sons abroad but JIT


 24.12.18
 JUDGE
 Accountability Court-2
 Islamabad

when analyzed those documents and got Mutual Legal Assistance response from UAE, the JIT observed the anomalies in the affidavits of Mr. Tariq Shafi and contradictions in the stance of the accused and his sons: that the 25% shares sale agreement of 1980 and the letters of Prince Hammad Bin Jasim Al Thani were found to be fake and concocted, as the same remained unsubstantiated and no bank record or other proof could have been furnished by the accused in support thereof; that the august Supreme Court of Pakistan, after going through the report of the JIT and hearing the parties, found a reasonable/culpable case against the accused, directing the NAB to prepare and file the reference against the accused; that the Chairman NAB authorized D.G. NAB under section 18(c) of NAO, 1999 who authorized investigation to Mr. Muhammad Kamran I.O of the case.

- i. Learned prosecutor pleaded that as per order of the august Supreme Court of Pakistan Mr. Muhammad Kamran, I.O. took into possession all the documents collected and referred to by the JIT, the bank record, FBR record, income tax record and the record of Ch. Sugar Mills, and then Call up notices were issued to the accused persons but they did not opt to appear before the I.O. as Hassan Nawaz Sharif and Hussain Nawaz Sharif fled away to UK and Saudi Arabia respectively, whereas accused Mian Muhammad Nawaz Sharif got sent the letter through his counsel informing the I.O. that he had filed the review petition, before the august Supreme Court of Pakistan and on that pretext he hesitated and finally kept him aside and did not join the investigation.
- j. Learned prosecutor pointed out that the accused in his statement before the JIT, address to nation and speech in the National Assembly had categorically stated that these assets were accumulated in the names of his sons abroad by using the sale proceeds of Gulf Steel Mills and Al-Azizia Steel Company Jeddah both having been setup by his late father Mian Muhammad Sharif and he was equipped with certain documents pertaining thereto and canvassed that those were the sources which were used by his sons Hassan and Hussain Nawaz Sharif accused for establishing and running business abroad apparently referring UK and KSA but accused has not produced those documents before the august Supreme Court of Pakistan when the CP Nos. 29/2016, 30/2016 and 03/2017 were pending over there, nor before the JIT when it was holding probe and also failed to produce those documents before the I.O rather they did not join

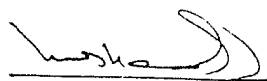


24.12.18

JUDGE

Accountability Court-2
Islamabad

the proceedings. It is further submitted that even during the trial before this court the accused were given another chance for explaining or giving the money trail of the assets in the name of his sons abroad but he failed to do so and just resorted to the plea of simple denial: that accused held the high public offices and remained thrice the Prime Minister, hence, is not expected to be ignorant of the business of his father as well as of his sons and his pleading, ignorance before this court is manifestly and deliberate effort to conceal his assets which he is maintaining in the names of his sons just toward of the criminal liability likely to be ensued in case of disclosure of actual ownership of those assets: that during the probe by the JIT, 25% sales share agreement of 1980 and the story put forth in the Qatri letters were found false as such, the stance of accused regarding finances vis-à-vis the assets abroad held in the names of his sons could have not been accounted for by the accused: that I.O Mr. Muhammad Kamran made six Mutual Legal Assistance requests to UK and in view of the time constraints he himself went abroad and obtained attested copies of the Land Registry Documents and Companies House Documents which have been placed on record by the prosecution: that as per these documents coupled with financial statements produced in evidence by the prosecution an amount of almost 4.2 million Dollars is working capital of the companies of the accused: that accused Hassan Nawaz Sharif admittedly was student till June 1999 and was not having any independence source of income and within period of one year establishing the business empire by him, in this scenario, is a strange phenomenon and a strong indicator of the fact that the entire assets, companies and its working capital money are of the accused Mian Muhammad Nawaz Sharif and he had got settled the business in the name of his son accused Hassan Nawaz Sharif who as per law fall within the definition of associate and benamidar of the accused: that the property worth millions of rupees and working capital of 3.2 GBP does not commensurate with the known accumulative sources of accused persons especially when Hussain Nawaz Sharif and Hassan Nawaz Sharif accused were not doing any independent business in that span of time: that they both while appearing and making statements before the JIT had also admitted that they had no independent source of income and were totally dependent and from them, it cannot be expected to generate that much amount for setting-up of their huge businesses worth millions and billions.

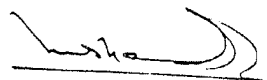


24.12.18

JUDGE

Accountability Court-2
Islamabad

- k. Learned prosecutor while reading out Sections 9 (a) (v), 14 (c) and definition of assets, benamidar, associates etc. from the NAO, 1999, pointed out that prosecution by producing sufficient evidence has discharged its light burden by establishing reasonable case against the accused but accused has not been able to dislodge the allegations of corruption and corrupt practices, as leveled against him, giving money trail for the assets beyond his known sources, having been kept in the names of his sons abroad, hence, the inference of guilt, as per law is to be drawn against him.
- l. Learned prosecutor while mentioning Article 122, 126 and 129 (g) of the Qanoon-e-Shahadat Order, 1984 pleaded before the Court that regarding the assets the accused has special knowledge as admitted by him for having the proofs regarding establishment of these companies etc. but he had failed to adduce any evidence with reference to the special pleas regarding money trail furnished. As per record, regarding sale proceed of Gulf Steel Mills and setting up businesses abroad by his sons, are factums especially in knowledge of accused but no documentary proof, bank record thereof, and money transactional evidence has been adduced by the accused which also give rise an inference going against him. Similarly Qatri settlement and worksheet is a special plea of accused but in support thereof, no one had appeared in the court, no documentary evidence and no bank record has been adduced and accused failed to discharge onus duly shifted on him, as envisaged in section 14 (c) of NAO, 1999; that accused was Chairman of Capital FZE which admittedly was not running any business or holding any property but huge amounts of 6,14,968 Pounds admittedly was lent out by Capital FZE to Quint Paddington when Hassan Nawaz Sharif was immediately required to repay the loan amount overnight; that retaining that much amount by Capital FZE could have also not been explained by the accused. That accused Mian Muhammad Nawaz Sharif was the Chairman of Capital FZE and as such he was directly found connected with the companies of Hassan Nawaz Sharif and business being run by him through the companies on his name and assets being held thereof.
- m. Learned prosecutor submitted that the prosecution has procured the registry documents and company house documents pertaining to the companies in UK but as capital FZE is UAE based hence, in spite of Mutual Legal Assistance request, the documents pertaining to FZE could not have been supplied and accused having



24.12.18
JUDGE
 Accountability Court-2
 Islamabad

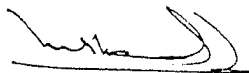
special knowledge of the same and control over its affairs has also failed to bring on record the document of incorporation of capital FZE which indicates that if the said documents would have been produced, those would have gone against him and inference as per 129 (g) is to be drawn against the accused.

n. Learned prosecutor while referring the judgment of the august Supreme Court of Pakistan passed in Review Petition reported in PLD 2018 SC 1 pointed out that accused has admitted the Chairmanship of Capital FZE and salary of 10 thousand Dirham per month which has been considered as assets of the accused. He further points out that amount of salary from July, 2006 to January, 2013, if counted, comes to 7,80,000 - Dirham which also makes the accused beneficial owner of the companies ostensibly held by his son Hassan Nawaz accused. That the prosecution has successfully bring home the guilt of the accused establishing charge in the reference, as such, he may kindly be convicted under section 9 (a) (v) for the corruption and corrupt practices by accumulation of money /assets beyond his known sources of income and be sentenced accordingly as provided in the NAO, 1999.

o. Learned prosecutor placed reliance on precedent law reported in PLD 2018 SC 114, 2013 P Cr. L J 591, 2007 MLD 910, PLD 2002 Peshawar 118 PLD 1992 Lhr. 314.

14. I have heard the learned Counsel for the prosecution and the defence, gone through the precedent cases cited before the Court and also carefully examined the testimony and cross examination of prosecution witnesses and the extensive record exhibited by the prosecution witnesses.

15. The Accused No. 1 is charged with the commission of the offence of "corruption and corrupt practices" provided for in section 9 (a) (v) of the Ordinance. It is, therefore, appropriate to examine the provision of Section 9 (a) (v) of the Ordinance to identify the essential ingredients of the offence with which Accused No. 1 is charged.



24.12.18
JUDGE

Accountability Court-2
Islamabad

16. Section 9 (a) (v) of the Ordinance reads, in material part, as follows:

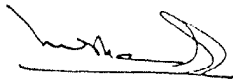
"A holder of a public office, or any other person, is said to commit or to have committed the offence of corruption and corrupt practices if he or any of his dependents or benamidars owns, possesses, or has acquired right or title in any assets or holds irrevocable power of attorney in respect of any assets or pecuniary resources disproportionate to his known sources of income, which he cannot reasonably account for or maintains a standard of living beyond that which is commensurate with his sources of income."(emphasis added).

17. Moreover, and materially, in terms of the section 9(a)(xii) of the Ordinance, the offence of "corruption and corrupt practices" is also committed if the accused aids, assists, abets, attempts or acts in conspiracy with a person or a holder of public office accused of an offence as provided in, inter alia, section 9(a)(v) thereof.

18. The other provision of the Ordinance which has direct relevance to the offence under section 9(a)(v) and 9(a)(xii) is section 14(c) which provides that:

"In any trial of an offence punishable under clause (v) of sub-section (a) of section 9 of this Ordinance, the fact that the accused person or any other person on his behalf, is in possession, for which the accused person cannot satisfactorily account, of assets or pecuniary resources disproportionate to his known source of income, or that such person has, at or about the time of the commission of the offence with which he is charged, obtained an accretion to his pecuniary resources or property for which he cannot satisfactorily account the Court shall presume, unless the contrary is proved, that the accused person is guilty of the offence of corruption and corrupt practices and his conviction therefore shall not be invalid by reason only that it is based solely on such a presumption.

19. The above provisions of the Ordinance have to be read with the definitions in sections 5(c), 5(da), 5(o) and 5(p) of the expressions "assets", "benamidar" "person" and "property", respectively. The expression "assets" means any property owned, controlled by or belonging to any accused, whether directly or indirectly, or held benami in the name of his spouse or relatives or associates, whether within or outside Pakistan which he cannot reasonably account for, or for which he cannot prove payment of full and lawful consideration. The expression "benamidar" means any person who ostensibly holds or is in possession or custody of any property of an accused on his behalf for the benefit and enjoyment of the accused. The expression "person", unless



24.12.18

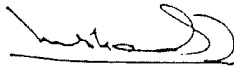
JUDGE

Accountability Court-2
Islamabad

the context otherwise so requires, includes in the case of a company or a body corporate, the sponsors, Chairman, Chief Executive, Managing Director, elected Directors, by whatever name called, and guarantors of the company or body corporate or any one exercising direction or control of the affairs of such company or a body corporate; and in the case of any firm, partnership or sole proprietorship, the partners, proprietor or any person having any interest in the said firm, partnership or proprietorship concern or direction or control thereof. "Property" is defined in section 5(p) of the Ordinance "to include any or all moveable and immovable properties situated within or outside Pakistan".

20. The Hon'ble Supreme Court of Pakistan has interpreted the scope of the provisions of sections 9(a) and 14(c) of the Ordinance and explained the basic ingredients for constituting the offence under section 9(a)(v) keeping in view the provisions of section 14 (c). In this context, the Hon'ble Supreme Court has held in 2011 SCMR 136 that in order to prove the case under Section 9(a)(v) of the Ordinance, the prosecution is required to prove: the nature and extent of the pecuniary resources of property which were found in his possession, what were his known sources of income i.e. known to the prosecution after thorough investigation and that such resources or property found in possession of the accused were disproportionate to his known sources of income. Once these ingredients are established, the offence as defined under section 9(a)(v) is complete, unless the accused is able to account for such resources or property. Thus, it is the failure to satisfactorily account for possession of pecuniary resources or property that makes the possession objectionable and constitute an offence. If he cannot explain, presumption under section 14(c) of the Ordinance that the accused is guilty of corruption and corrupt practice is required to be drawn.

21. Whilst interpreting Section 14(c) of the Ordinance, it has been observed by the Hon'ble Supreme Court in the Judgment referred above that, as regards the burden of proof, the normal rule of law is that an accused is presumed to be innocent until his guilt is proved, established and the onus of establishing the guilt is always on the prosecution. But the rule of law laid down in section 14(c) of the Ordinance is a departure from normal law and under this section, a presumption of corruption and corrupt practices is required to be drawn, if the accused or any person on his behalf is in possession of pecuniary resources or property disproportionate to his known sources of income of which sources he cannot satisfactorily account. For shifting the burden upon accused to account for the sources

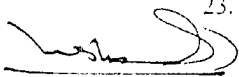

24.12.18
JUDGE
Accountability Court-2
Islamabad

of income, the words of the statute are pre-emptory and the burden must lie all the time on the accused to prove the contrary, after the conditions laid down in the earlier part of the section have been fulfilled by the prosecution through evidence to the satisfaction of the Court and then the Court is required to draw the presumption that the accused person is guilty as provided under section 14(c) of the Ordinance. Such presumption continues to hold the field, unless the Court is satisfied that the statutory presumption has been rebutted. In PLD 2017 SC 265, it has been held that section 9(a)(v) of the Ordinance "places a light initial onus of proof on the prosecution to establish that a holder of a public office, or any other person, or his dependent or benamidar owns, possesses, or has acquired right or title in any asset or holds irrevocable power of attorney in respect of any asset or pecuniary resources disproportionate to his known sources of income or maintains a standard of living beyond that which is commensurate with his sources of income and thereafter a heavier onus shifts to the accused person to reasonably account for his ownership, possession, acquiring of right or title or holding irrevocable power of attorney in respect of such assets or pecuniary resources."

22. The Hon'ble Supreme Court has also removed any doubts about whether any of the offence(s) under section 9(a) of the Ordinance can be committed by persons other than those falling within the definition of "holder of public office" by holding that there is no such restriction in the Ordinance as is evident from the expression "or any other person" appearing in the opening sentence of section 9(a). Thus in PLD 2013 SC 594 it has been held and declared that the provisions of the Ordinance are applicable even to a person who is not holder of a public office and also to a person who has not aided, assisted, abetted, attempted or acted in conspiracy with holder of a public office and the words "any other person" appearing in section 9(a) of the said Ordinance are to be understood and applied accordingly. For removal of any doubt or ambiguity it was clarified by the Honourable Supreme Court that a private person can be proceeded against under the Ordinance if the other conditions mentioned in that Ordinance in that respect are satisfied.

23.

In view of the charge against accused Mian Muhammad Nawaz Sharif and as per dicta quoted above in PLD 2017 SC 265 at 405, the prosecution has the "light initial onus of proof" to establish that: (i) Flagship Investments Ltd., Hartstone Properties Ltd, Que Holding Ltd, Quint Eaton Place 2 Ltd, Quint


24.12.18
JUDGE
Accountability Court-2
Islamabad

Sloane Ltd (formerly Quint Eaton Place Ltd), Quint Ltd., Flagship Securities Ltd, Quint Gloucester Place Ltd, Quint Paddington Ltd. (formerly Rivate Estates Ltd.), Flagship developments Ltd, Alana Services Ltd (BVI), Lankin SA (BVI) and Capital FZE (Dubai) are the "assets" of Accused No. 1 within the meaning of the Ordinance. The definition of "assets" in the Ordinance expressly envisages that "assets" may be held "directly or indirectly", or "held benami in the name of his spouse or relatives or associates".

24. The allegation in the Reference, the charge against the accused Mian Muhammad Nawaz Sharif and the case of the prosecution is premised on "assets" being allegedly held by him "indirectly" through "benamidars" i.e. his son Hassan Nawaz Sharif since POs in the Reference.

25. Each of the ingredients of the offense under section 9(a)(v) of the Ordinance are now examined against the evidence led by the prosecution along with the documents exhibited and placed on record. (i) **Has the Accused No. 1 been a "holder of public office" as per the Ordinance?**

26. It has not been denied by the accused Mian Muhammad Nawaz Sharif or the defence that he does indeed fall within the definition of "holder of public office" in section 2(m) of the Ordinance on account of his having previously (i.e. during the period 1981 to 2017) remained Chief Minister of the Punjab, Caretaker Chief Minister of the Punjab, Finance Minister of the Punjab, Leader of Opposition and also thrice Prime Minister of Pakistan. This was also admitted by him as being "correct" in his statement under section 342 Cr.PC. Accordingly, this ingredient of the offence under section 9(a)(v) of the Ordinance stands established.

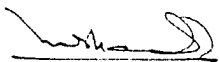
(ii) **If the accused Mian Muhammad Nawaz Sharif or any of his dependent(s) or benamidar(s) at any material time own, possess or has or have acquired right or title in any "assets" within the meaning of the Ordinance?**

27. The relevant "assets" according to the Interim and Supplementary References and case of the prosecution are Flagship Investments Ltd., Hartstone Properties Ltd, Que Holding Ltd, Quint Eaton Place 2 Ltd, Quint Sloane Ltd, (formerly Quint Eaton Place Ltd), Quint Ltd., Flagship Securities Ltd., Quint Gloucester Place Ltd., Quint Paddington Ltd. (formerly Rivate Estates Ltd.), Flagship Developments Ltd., Alana Services Ltd. (BVI), Lankin


24.12.18
JUDGE
Accountability Court-2
Islamabad

SA (BVI) and Capital FZE (UAE).

28. Hussain Nawaz Sharif and Hassan Nawaz Sharif (Accused No. 2 and No. 3) since POs in their joint stance vis-à-vis Flagship Investments Ltd. etc. as submitted on their behalf before the Hon'ble Supreme Court in C.P. 29 of 2016 through, inter alia, CMA 432 of 2017 dated 23-1-2017 and CMA 7531 of 2016 dated 15-11-2016 which have been placed on record by the prosecution as Exh.PW-15/9 and Exh.PW-15/4 respectively are available. The objections raised by the defence with regard to the admissibility of CMA 432/17 and CMA 7531/2017 or consideration thereof by this Court are overruled as, inter alia, the Accused No. 2 and No. 3 are absconding and their stance before the Hon'ble Supreme Court through the said CMAs, which are documents being part of public proceedings in terms of Article 85 of the Qanoon-e-Shahadat Order, 1984 ("QSO") and provisions of Article 76(i) of QSO, is also relevant. The absconding Accused (No. 2 and No. 3) are the real sons of the Accused No. 1 and have full notice and knowledge of the Reference and this trial but have willfully failed to appear and provide any defence or explanation whilst, during trial, the Accused No. 1 is taking the stance that he has no nexus with nor material knowledge of the background to and source of funding for setting up Flagship Investments Ltd., the properties attached thereto and the other entities listed in the charge. It is observed that no accused can be allowed or permitted, as a stratagem, to defeat proceedings through hyper technicalities. Moreover, each of the CMA 432/17 and 7531/17 are supported by an Affidavit of the Advocate-on-Record who has "solemnly affirmed and declared" that "the averments of facts contained in the accompanying CMAs are correct to the best of his knowledge, information and belief" and further that "the averments are obtained from record of the case and from the Respondents/Petitioners". There is no evidence nor has the defence asserted that Hassan Nawaz Sharif and Hussain Nawaz Sharif on whose behalf said CMAs 432/17 and 7531/17 were filed in C.P. 29 of 2016 in which C.P. they were respectively arrayed as Respondent No. 7 and Respondent No. 8 ever sought amendment, correction or withdrawal of any of the averments of the said CMAs. In this regard, it is noteworthy that the opening paragraph numbered 1 of CMA 432 under the heading of "Preliminary Submissions" states that "through the instant Application Respondents Nos. 7 and 8 respectfully seek to place on the record certain facts and documents that may assist this Hon'ble Court in arriving at a just and fair determination of the titled Petition in accordance with law. The scope of the titled petition as argued has



24.12.18

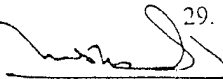
JUDGE

Accountability Court-2
Islamabad

changed from time to time. Consequently, the present submissions and documents placed herewith may kindly be taken into account". It is pertinent to mention that the CMAs are pleadings filed in no less than the apex court of this country and none of which have been known to have been retracted by any party on behalf of whom the same were filed. It is also discernible from the testimony of PW-15 that the version adopted with respect to the source of funding for and background of establishing Flagship Investments Ltd. etc. by Hassan Nawaz Sharif and Hussain Nawaz Sharif before the Joint Investigation Team ("JIT") was also, in substance, similar and along the same contours to the position as set out in CMA 432/17. Also, it is in the evidence that, whilst appearing before the JIT on 15-6-2017, the Accused No. 1 had endorsed "everything that was submitted" by the Accused No. 2 and No. 3 in the Hon'ble Supreme Court of Pakistan and did not deny the same in response to question 137 in his statement under section 342 Cr. PC. In these circumstances, overruling all objection of the defence regarding the same, it is held that the Court can examine and take into consideration the contents of the final JIT Report as submitted in the Hon'ble Supreme Court in respect of which PW-15 Mr. Wajid Zia Head of JIT has testified as well, hence, the contents of CMAs 432/17, 7531/17 and other pleadings and submissions by the parties to CP 29 of 2016 along with all the documents appended therewith and filed in the proceedings before the Hon'ble Supreme Court. With regard to the final JIT Report, it is noted that the Hon'ble Supreme Court, whilst noting that its findings are tentative, has not restricted this Court from apprising the material collected by the JIT and drawing its own conclusions from the evidence recorded before it in accordance with the principles and provisions of the law of evidence as is evident from paragraph 14 of the Judgment dated 28-7-2017 (reported as PLD 2018 SC 1). It is also - observed that the august Supreme Court of Pakistan in the Judgment dated 28.07.2017 has issued direction to NAB for filing of the reference on the basis of material collected and record referred to by the JIT in its report or such other material which may/would become available to the NAB subsequently. As such this Court cannot be considered denuded of the powers to take into consideration as per law, the material so collected and brought on record by the I.O.

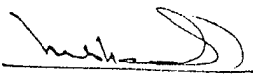
29.

It is in the record that Flagship Investments Ltd. is claimed by the Accused, Hassan Nawaz Sharif, to have been set up in 2001 and the other entities referred to in the charge were established in the United Kingdom and


 24.12.18
 JUDGE
 Accountability Court-2
 Islamabad

BVI from time to time thereafter. His stance with regard to the same is that its establishment was funded, in most part, by the return received by him from Al Thani family of Qatar on the amount of AED 12 million received as the net proceeds from the sale of GSM, which AED 12 million was placed for investment with the Al Thani family by the late father of the Accused No. 1. This version, to explain the initial source of sponsor funding for establishment of Flagship Investments Ltd., relies heavily and, has as its principal foundation, the alleged receipt of an amount of AED 12 million as the net proceeds from the sale of GSM and the subsequent accretion in this amount whilst ostensibly in the hands of the Al Thani family between 1980 and 2001 as an "investment" or "placement" of funds for the alleged benefit of Accused No. 3 only. It has been claimed in CMA 432/17 that, in 2001 Hussain Nawaz Sharif set up Flagship Investments Limited with its registered office in the United Kingdom and that "during the period 2001 to 2004" he "received funds totalling about US \$ 4.2 million through (sic) that were arranged by the Late Mian Muhammad Sharif" and that Hussain Nawaz Sharif was informed in late 2005 by the representative of the Al Thani family that funds were caused to be transferred to Hassan Nawaz Sharif by the Al Thani family through Sheikh Hamad bin Jassim on account of the deposit with the Al Thani family made by the grandfather". Moreover, the position taken in CMA 432/17 is that "these funds were made available by the Al Thani family through Farrer & Co., Solicitors, of 66 Lincolns Inn Fields, London WC2A 3 LH". It is also averred therein that these funds were "for the benefit of" Hassan Nawaz Sharif and that all funds received were lawfully received in the United Kingdom. However, save for this bare statement, there is no banking or other authentic and credible record to substantiate this claim.

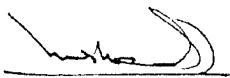
30. Given that a very specific stance had been taken vis-à-vis remittance of funds to the United Kingdom for the benefit of Hussain Nawaz Sharif (i.e. through Farrer & Co., Solicitors), it follows that the accused admit to being possession and control of material evidence and documents relevant to substantiating their plea. In these circumstances, inter alia, the provisions of Articles 119, 121 and 122 of QSO also placed a burden of proof which has not been satisfied. The accused could have produced the documentary evidence in support of this stance showing the transfer of money from Al-Thani family to Hassan Nawaz Sharif during 2001 to 2004. In this regard, original banking and related record and money trail could have been produced proving the remittance of funds from Qatar to the Solicitor's and its onward transfer to the



24.12.18
11:00

Accountant - Court-2
Islamabad

account of Hassan Nawaz Sharif who himself asserts that he received the not insubstantial amount in excess of US \$ 4.2 million through this route. Such direct evidence which is the possession and control of the accused could, potentially, have cleared the entire controversy, protecting and validating the claimed investment in the name of Hassan Nawaz Sharif in United Kingdom on one hand and settling down the storm of allegations and charge of possession of assets beyond known means against the Accused No. 1 and his sons. However, on record, there is absolutely no banking record, money trail, remittance record and remittance instructions or other cogent and credible documentary evidence of the initial "placement" or "deposit" of funds with the Al Thani Family nor of the remittance of this amount from or on behalf of the Al Thani family nor receipt thereof in the United Kingdom by Hassan Nawaz Sharif during 2001 to 2004 as claimed by him. The only documents in support of this version filed with CMA 432/17 are: (a) a self-prepared, unsigned, unattested spread sheet/worksheet at page 63 (Annexure G) of said CMA 432 being Exhibit PW-15/12 (the "Portfolio Statement") bearing the caption "Mian Muhammad Sharif/Hussain Sharif Portfolio Statement" which, in CMA 432/17, is described as containing "the eventual basis of the settlement" claimed to have been reached with regard to the AED 12 million with the Al Thani family in late 2005. The Portfolio Statement, inter alia, shows "adjustments in respect of Azizia Steel on behalf of Hussain Nawaz Sharif", "return on investment" and also four entries (one each in 2011, 2002, 2003 and 2004) titled "adjustment for payment c/o Hassan Nawaz Sharif" totalling US \$ 4,207,925; and (b) two hand written pages in what appears to be Arabic (Annexure H at pages 64-65 of CMA 432) being Exhibit PW-15.12 which is claimed in CMA 432/17 to be "the worksheet used by Nasir Khamis, representative of the Al Thani family, as the basis of the settlement". This document contains figures and numbers but it is not possible to make any sense out of the same. There is nothing further to explain as to who prepared and made the calculations in the Portfolio Statement or the document in Arabic and how and by whom the amounts mentioned therein were remitted and received. These documents are not supported by any documented underlying banking transaction or any documentary money trail and, therefore, have no legal or evidentiary value whatsoever. In view of the foregoing, the claim of provision of initial funding of US \$ 4.2 million by the Al Thani Family to Hassan Nawaz Sharif out of the return on the AED 12 million claimed to be placed by the father of the Accused No. 1 with the former for setting up of Flagship Investments Ltd. etc. remains completely unsubstantiated and unproven.



24.12.18
JUDGE

Accountability Court-2
Islamabad

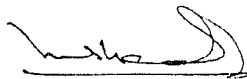
Letters From H. E. Hammad Bin Jasim Al-Thani

31. At this juncture and in the above context, it is appropriate to discuss the two letters dated 5-11-2016 (Exhibit PW-15/13) and 22-12-2016 (Exhibit PW-15/11) signed and issued by H. E. Hamad Bin Jassim Bin Jaber Al-Thani of Qatar which were placed on the record of C.P. 29 of 2016 on behalf of Accused No. 2 and 3. The first letter refers to an aggregate amount of around AED 12 million having been "contributed" by Mian Muhammad Sharif who is stated to have "expressed his desire to invest certain amount of money in real estate business of Al Thani family in Qatar" and to have "wished that the beneficiary of his investment and returns in the real estate business is his grandson, Mr. Hussain Nawaz Sharif". However, from a bare reading of the first letter, it is ex facie apparent that Hammad Bin Jassim Althani did not have personal knowledge of the key matters stated therein and even otherwise besides constituting hearsay the contents thereof are unsubstantiated and evasive. In these two letters, no date or place of the transactions are mentioned. Nor is there any concrete, specific and credible evidence regarding how and where the funds in question were invested and how and on what basis and by whom the claimed "return" thereon was computed, especially when the business of investment was the real estate business, where both profit and loss are possible. The claimed "wish" of the father of the Accused No. 1 about the beneficiary of the "investment" being Hussain Nawaz Sharif to the exclusion of all others including his natural legal heirs is also vague and generalized. There is no further document or other cogent and credible evidence to substantiate the same. There is also a significant contradiction between the first letter of 5-11-2016 (Exhibit PW-15/13) and the second letter of 22-12-2016 (Exhibit PW-15/11) as, in the first letter, Hussain Nawaz Sharif is claimed to be the intended sole beneficiary of the "investment" as per the "wish" of the late grandfather. However, the Portfolio Statement (Exhibit PW-15/12) shows "distributions" made from this "investment" include disbursements to Hassan Nawaz Sharif in the amount of US \$4.2 million for setting up his businesses as well as payment of US \$ 8 million made to settle litigation in the (English) High Court of Justice (Queen's Bench Division) involving Hudaibiya Paper Mills Limited, Mian Mohammad Shahbaz Sharif, Mian Muhammad Sharif and Mian Muhammad Abbas Sharif. The "Portfolio Statement" and the two letters from Hammad Bin Jassim Althani are mutually contradictory and destructive of each other: although ostensibly the same have been filed to corroborate each other and lend credence to and substantiate the version being advanced inter



24/11/18
JUDGE
Accountability Court-2
Islamabad

alia in CMA 432/17. It is also in the testimony of PW-15, that although the Accused No. 1 confirmed, in his statement before the JIT, that he had knowledge of the investment made by Mian Muhammad Sharif with the Al Thani family but he hardly seemed to remember any details. It is in the evidence that although the Accused No. 1 stated before the JIT that the sale proceeds of GSM were used for the businesses set up by his sons he did not remember the details and further that he did not remember having seen the "Portfolio Statement" submitted by his sons in the Hon'ble Supreme Court but in the end according to the JIT Report he stood by the submissions made by his sons and daughter in the Supreme Court". However, in reply to questions in his statement under section 342 Cr.P.C the Accused No. 1 distanced himself from the two letters from Hammad Bin Jassim Althani. It is in the evidence of PW-15 that the JIT corresponded extensively with Hammad Bin Jassim Althani in an effort to verify and investigate the contents of his two letters dated 5-11-2016 and 22-12-2016 and to record his statement. Hammad Bin Jassim Althani was first asked to appear before the JIT at Islamabad through letter dated 13-5-2017 (Ex.PW-15/17) on 24-5-2017 and again through a letter dated 24-5-2017 (Ex. PW-15/22) on 1-6-2017. In response to the first letter, Hammad Bin Jassim Althani replied that he confirmed that since he had signed the two letters and their contents and that in light thereof "there is no requirement for my attendance in the proceedings of the JIT". In reply to the second letter Qatri Royal excused himself from appearing before the JIT in Islamabad due to "unavoidable circumstances" but suggested that the JIT visit him in Doha at a "mutually agreeable date". The JIT, in turn, through a letter dated 22-6-2017 (Ex-PW-15/26) offered to record his statement at the Pakistan Embassy in Doha on one of two dates offered to him. Contrary to the arguments of the defence, the mode and conditions proposed by the JIT for recording the statement of the Qatri royal was neither novel or malicious nor unreasonable and uncalled for. Therefore, objections and contentions of the defence in this regard are rejected. However, significantly, in reply through a letter dated 26-6-2017 (Ex-PW-15/32), instead of confirming a date for recording his statement, the Qatri gentlemansought to "obtain an acknowledgement" from the JIT that he is "not subject to the jurisdiction and laws of Pakistan" and a "confirmation" from the JIT that he is "not the subject of any investigation or required to appear before any court of law or tribunal for any purpose whatsoever". He then offered to meet in Doha but only to "verify in person the contents" of his two letters. The JIT replied in detail to this letter on 4-7-2017 (Ex-PW-15/28) giving reasons for its inability to provide the




24.12.18
1110-75

“acknowledgement” and “confirmation” demanded by him and also explaining that the scope of JIT’s interview was intended to be broader than a mere “verification” of the contents of the two letters. The JIT received a rather stern reply from him to its letter of 4-7-2017(Ex-PW-15/28) in terms of a letter dated 6-7-2017 (Mark-PW-15/F) which, inter alia, stated that “I reiterate that I do not recognise, and am not subject to, jurisdiction of Pakistani laws and Pakistani courts in any manner whatsoever”. This reply was received shortly before the deadline for submission of the final JIT Report. As such the matter ended without the statement of Hammad Bin Jassim Althani being recorded. Upon a cumulative consideration of correspondence between Hammad Bin Jassim Althani and the end thereof, it is observed that, since: (a) both the letters of Hammad Bin Jassim Althani were placed on record by accused Nos. 2 and No. 3; and (b) no authentic documentary proof and banking record in support thereof was annexed by them, hence, it was the duty of both of them to produce him for substantiating the stance put forth in the said letters. Mere production of such letters by the Qatari gentleman in his private capacity allegedly relating to a private secret business and transaction does not contain much authenticity and nor deserve the respect given to it during the process of probe as well as investigation. Moreover, as Hammad Bin Jassim Althani categorically and emphatically refused to recognise, accept or submit to the courts and laws of Pakistan or to appear before any court or tribunal in Pakistan whatsoever. Accordingly, it is held that the two letters dated 5-11-2016 (Exhibit 15/13) and 22-12-2016 (Exhibit 15/11) from H. E. Hammad Bin Jassim Althani also do not lend any credence or support to the version of the accused with regard to “investment” or “placement” of the net sale proceeds of GSM in the amount of AED 12 million in cash with the Al Thani family of Qatar nor of the subsequent “return” thereon and transfer of the “return” to, inter alia, the United Kingdom as claimed in CMA 432’17 and also argued by the learned Senior Counsel for the Accused No. 1 before this Court.

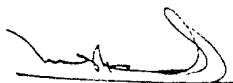
Address to Nation and Speech of Accused No. 1

32.

The ‘Panama Papers’ were released by the International Consortium of Investigative Journalists in the print and electronic media on 4-4-2016. On 5-4-2016 the Accused No. 1 addressed the nation on television and radio (transcript is Exhibit [*]) in which, inter alia, he stated that during his forced exile his father established a steel factory near Makkah in Saudi Arabia (being a reference to Azizia Steel Company Limited -“ASCL”) for which loans were


24.12.18
JUDGE
Accountability Court-2
Islamabad

obtained from Saudi banks and that the steel factory was sold after a few years along with all its assets and those resources were utilized by his sons Hassan Nawaz Sharif and Hussain Nawaz Sharif for setting up their businesses. However, ASCL is claimed to have been set up in 2001 and sold in 2005 whereas the first entity in the United Kingdom which is subject matter of the instant Reference i.e. Flagship Investments Ltd. was incorporated in 2001 and there is absolutely no mention of GSM being set up in 1980 or sale or sale proceeds thereof which are glaring inconsistencies and contradiction of this stance. On 16-5-2016 the Accused No. 1 read out a written speech in the National Assembly (a recording on DVD of which is Exh.PW-11/03 transcript whereof is Exh. PW-11/05). which was also broadcast live on television and radio in which he, inter alia, mentioned GSM and its sale and also ASCL and stated that the entire record and documents pertaining to GSM and ASCL (the Dubai and Jeddah factories) is available. In spite of an unequivocal assertion about the availability of the entire record and all documents pertaining to GSM and ASCL by the Accused No. 1 to the entire nation, it is noted that in this trial the Accused No. 1 has chosen not to himself produce a single document or part of that record, which he asserted was available. In this context, the provisions of Articles 2(4), 2(7), 2(8), 117, 122, 126 and 129 of QSO are relevant. In his earlier address to the nation of 5-4-2016 (DVD of which is Exh. PW-11/02 and transcript whereof is Exh. PW-11/04), the Accused No. 1 stated that the steel factory near the city of Makah (in an apparent reference to ASCL) was established by his late father for which loans were obtained from Saudi authorities. It is noteworthy that, despite certain divergence, the broad contours of the stance or version given by accused are along in the same lines as the stance of the Accused No. 2 and No. 3 before the Honourable Supreme Court in their CMA 432/17 and before the JIT. Here it is appropriate to address the objection raised by the defence with regard to reference to the speech of the Accused No. 1 of 16-5-2016 in the National Assembly on the basis of parliamentary privilege as enshrined in Article 66 of the Constitution of the Islamic Republic of Pakistan, 1973. The said objection is overruled being misconceived and devoid of substance for, inter alia, the reason that the said speech was also an address to the nation being an explanation offered by the then Prime Minister not only to Parliament but to his fellow countrymen and citizens on a personal matter reflecting upon his honesty, propriety and transparency regarding his source of wealth and assets. Therefore, seemingly, the floor of the National Assembly was employed, but at the same time the speech was in relation to a personal matter pertaining to the Accused No.1 and

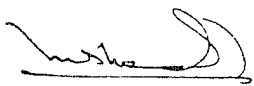


24.12.18
JUDGE
 Accountability Court-2
 Islamabad

his immediate family including his two sons and daughter, in particular, and not a speech pertaining to or having nexus with the business of the National Assembly including any legislative business or official agenda of the National Assembly on that day. Also, whilst so referring to his speech of 16-5-2016 in the National Assembly as above, the Court is not employing it to hold the Accused "liable to any proceedings in any court" in terms of Article 66 of the Constitution. Hence, the contents of that speech and address do not fall within the purview and intended scope of Article 66 from this perspective. The cases of Zahur Ilahi, M.N.A. v. Mr. Zulfikar Ali Bhutto (PLD 1975 SC 383) and Syed Masroor Ahsan and others v. Ardeshir Cowasjee and others (PLD 1998 SC 823) provide guidance in this matter to be relied upon.

Credibility of explanation based on claimed "placement" or "investment" of net sale proceeds of GSM (AED 12 million) with the Al-Thani family in Qatar.

33. The prosecution has questioned the version of "investment" or "placement" of the net sale proceeds of GSM in the amount of AED 12 million in cash with the Al Thani family of Qatar by the late father of the Accused No. 1 and the return of this investment as being the main initial source of sponsor funding for setting up of Flagship Investments Ltd. etc.) as false, bogus and concocted and so sought to demolish it from various perspectives. In addition to the above conclusions, the Court is satisfied that, this entire version, the genesis of which is in the claimed sale of GSM to one Abdullah Kaved Al-Ahli pursuant to an agreement of 1978 (Ex-PW-15/6) and another agreement purportedly signed on 14-4-1980 (Exh. PW-15/8), is unsubstantiated, concocted and false in view of the response of the Ministry of Justice of the UAE in response to a MLA request received from the JIT. It is in the evidence that the Ministry of Justice of the UAE in response to a MLA request has confirmed that the Ministry of Justice has addressed the "competent authorities to get their response concerning the received questions". The "answers of these authorities are" set out in the said response dated 28-6-2017 (Ex-PW-15/14) signed by Judge Abdul Rahman Murad Al Blooshi as Director of International Cooperation Department of the Ministry of Justice UAE. In the said reply it has been confirmed that:


24.12.18
JUDGE
Accountability Court-2
Islamabad

- (a). Muhammad Tariq Shafi had defaulted on loan payments to BCCI in which he was directed to pay AED 9,733,980.80 and interest of 9% from 2-2-1994 till full

- payment:
- (b). the Share Sale Agreement dated 14-4-1980 (Exh. PW 21/9) ("GSM Share Sale Agreement") relating to GSM filed in the Supreme Court on behalf of Accused No. 2 and No. 3 "does not exist";
 - (c). no transaction of AED 12 million took place in the name of Mr. Tariq Shafi;
 - (d). no record could be found of the purported "notarization" ostensibly done by a Notary Public of Dubai Courts on 30-5-2016 appearing on the copy of the Share Sale Agreement relating to GSM; and
 - (e). after checking with Dubai customs it seemed that there wasn't any scrap machinery transported to Jeddah in 2001-2002 (as claimed for the establishment of ASCL).

The evidence and material received under a MLA request is accorded special status under the Ordinance. Section 21(g) of the Ordinance stipulates that:

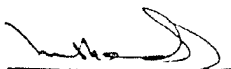
"notwithstanding anything contained in the Qanoon-e-Shahadat Order 1984 (P.O. 10 of 1984) or any other law for the time being in force all evidence, documents or any other material transferred to Pakistan by a Foreign Government under section 21 shall be receivable as evidence in legal proceedings under this Ordinance". (emphasis supplied)

JIT Correspondence With Reference to MLA Request to UAE Central

Authority

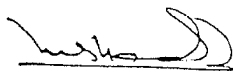
34.

It is in the evidence that notification bearing Exh-PW/ 15/3 was issued by the Federal Government notifying the Head of the JIT, Mr. Wajid Zia (PW-15) as an officer authorized by the Federal Government to make a request to any Foreign State in terms of section 21 of the Ordinance. Accordingly, the requests were competently and lawfully made. The MLA response mentioned above is the outcome of legal correspondence between sovereign states and no ill will, bias or prejudice could have been attributed thereto. Even otherwise, it


24.12.18
JUDGE
Accountability Court-2
Islamabad

is relevant that, the defence, after getting knowledge of the MLA response, could have produced documents had there been any contrary record thereto. Failure in this respect on behalf of defence also goes on to augment the authenticity, legal value and probative worth of the response to the MLA request, making it more reliable in this Court's opinion. In view thereof, the objections raised by the defence with regard to the aforementioned reply dated 28-6-2017 (Exh. PW-15/14) of Ministry of Justice of the United Arab Emirates have no substance and are overruled as the express language of section 21(g) of the NAO 1999 is a complete answer to the said objections. The provisions of section 21(g) of the Ordinance are couched in broad terms. On a plain reading of section 21(g) of the Ordinance it is evident that the aforementioned reply and its contents dated 28-6-2017 (Exh. PW 15/14) of Ministry of Justice of the UAE falls within the scope of "evidence, documents or any other material". It is also held that same was duly transmitted to Pakistan by a Foreign Government in terms of section 21 of the Ordinance and it was not mandatory for the Foreign Office of the Government of Pakistan to be involved in dispatch and receipt thereof, as no such condition is prescribed in section 21(g) which is a special and overriding provision and that requirement cannot be read into it. If the objections with respect to attestation and admissibility of the reply to the MLA raised by the defence are accepted, it would tantamount to nullifying the express language and legislative object of section 21 of the Ordinance. Since the said reply dated 28-6-2017 (Exh. PW 15/14) to the MLA request is receivable in evidence notwithstanding anything in the QSO, the objections of the defence regarding the same constituting secondary evidence, of the same not being notarized or attested by the Pakistan consulate in the UAE and related objections all of which directly or indirectly rely on provisions of the QSO are overruled being contradicted and nullified by the express language of section 21(g) of the Ordinance.

35. As regards the GSM Share Sale Agreement (dated 14-4-1980 (Ex-PW-15/8)) which ostensibly provides for the sale of 25% share of Ahli Steel Mill held by Tariq Shafi for AED 12 million and is stated to be between "Mr. Tariq Shafi" and "Mr. Mohd Abdullah Kayed Ahli" in the signature block states "Tariq Shafi by his authorized representative Mr. Shahbaz Sharif, Dubai-UAE". However, significantly, instead of the signatures of Shahbaz Sharif the handwriting over the said signature block reads "Tariq Shafi". It is in the evidence of PW-15 that both Tariq Shafi and Shahbaz Sharif in their statements before the JIT "did not accept to have signed this document".



24.12.18
JUDGE

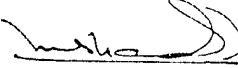
Accountability Court-2
Islamabad

thereby, effectively disowning the same and further undermining the credibility and authenticity thereof. This is the same document which bears the stamp of the Dubai Court Notary Public dated 30-5-2016 and in respect of which the response to the MLA request states "no record could be found which indicate that notarization of this document was ever done by Notary Public of Dubai Courts on 30/5/2006". In view of the foregoing, whilst the response to the MLA request independently is sufficient to negate the version advanced before the Hon'ble Supreme Court and the JIT regarding, inter alia, the sale and utilization of the sale proceeds of GSM, the same is also belied and negated by the aforementioned. Accordingly, it is concluded and held that the contents of the response to the MLA request dated 28-6-2017 (Exh-PW 15/14) received from the Ministry of Justice of the United Arab Emirates, on its own, is sufficient to negate and prove, as bogus and concocted stance before the Hon'ble Supreme Court. It also goes on negating and under mining the defence pleaded by Accused No. 1 in his speech dated 16-5-2016 in the National Assembly regarding the sale and sale proceeds of GSM and utilization thereof for the benefit of any of the accused.

Beneficial ownership and interest of Accused No. 1 in Flagship Investments Ltd. and in the other entities specified in the charge.

36. As evident from the language of section 9(a)(v) of the Ordinance read with the definition of "assets", "property" and "benamidar" in sections 5(c), 5(p) and 5(da) of the Ordinance, respectively, the Ordinance expressly contemplates and provides for indirect "possession" of or right or interest in or to property for "which the accused cannot reasonably account for".


37. The Court has carefully examined, considered, weighed and sifted through the documents on record and the testimony and cross examination of the prosecution witnesses. The version or explanation of the Accused No. 1, No. 2 and No. 3 with regard to the source of income or wealth which, according to them, funded the setting up of Azizia Steel Company Limited ("ASCL") and Hill Modern Industry for Metal Establishment ("HME") in the Kingdom of Saudi Arabia (ostensibly by Hussain Nawaz Sharif) and of Flagship Investments Limited and the other entities in the United Kingdom, BVI and UAE (ostensibly by Hassan Nawaz Sharif) as discernible from the available record has been found to be unsubstantiated, false and bogus and, hence, rejected by this Court hereinabove after careful and detailed analysis. The Court now proceeds to consider, analyse and give its findings on whether


24.12.18
JUDGE
Accountability Court-2
Islamabad

or not the prosecution has been able to satisfy and fulfil its "initial burden" to prove that the real beneficial owner of Flagship Investments Ltd. (admittedly set up in 2001) and the other entities (set up subsequently) as mentioned in the charge along with related properties acquired in the name of such entities is the Accused No. 1 personally and not his son accused Hassan Nawaz Sharif. On account of the fact that the Accused No. 1 during the period 1985 to 2017 has held some of the highest executive offices in both the Federal Government and in the Provincial Government of the Punjab including those of chief executive of the Punjab and of Pakistan, the Court is satisfied that the Accused No. 1 was one of the most influential members of the monolithic and tightly connected Sharif family and that after the death of his father in October 2004, he was for all practical purposes the head of and most influential member of the Sharif family.

The fact that the late father of the Accused No. 1 did indulge in the practice of holding "assets" and "property" (within the meaning of the Ordinance) indirectly, through one or more benamidars, is also proved from the evidence on record, which shows that GSM was held in the name of the cousin of the Accused No. 1 (i.e. one Tariq Shafi) but the latter was not its true beneficial owner. This is established by, inter alia, the testimony of PW-15, the averments in and documents appended with CMA No. 7531 dated 15-11-2016 (Exhibit PW-15/4) filed in CP 29 of 2016 on behalf of the Accused No. 2 and No. 3 including the agreement being Exhibit PW-15/7.

38. Flagship Investments Ltd. was set up by accused Hassan Nawaz Sharif in the year 2001 with an initial paid up capital of only £ 1.. Prosecution had produced its incorporation certificate Ex.PW-16/44 (Page 450-457 Vol-B Supplementary reference) which also reflects the same position. Financial statements of Flagship Investments Ltd. for the year 2001-2002 Ex.PW-16 43 (Pg-429-446 of Vol-B of Supplementary reference) shows that accused Hassan Nawaz Sharif gave a loan of £ 7.05.071/- to Flagship Investments Ltd. Ex.PW-16/42 (pg.403-426 of Vol-B Supplementary reference) is the financial statement of Flagship Investments Ltd pertaining to year 2003 which shows that Accused Hassan Nawaz Sharif again gave a director's loan of £ 3.07.761/- to Flagship Investments Ltd. Accused Hassan Nawaz Sharif gave a director's loan of £ 5.93.939/- to this company in the year 2004, as found mentioned in the financial statement thereof pertaining to year 2004 which is Ex.PW-16 41 (pg 377 Vol-B Supplementary reference).


24.12.18
JUDGE
Accountability Court-2
Islamabad

Que Holdings Limited is another company which was set up on 15.7.2003 vide incorporation certificate Ex.PW16/57 (pg. 445-552 of Vol-B

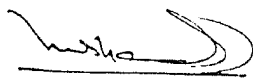
Supplementary reference) also with a paid up capital £ 1 in the year 2004. Accused Hassan Nawaz Sharif extended a loan of £ 99,999/- to this entity as reflected in the financial statement thereof being Ex.PW-16/60 (pg 563-580 vol-B-1 Supplementary reference) .

Quint Ltd. was incorporated on 14.7.2003 with paid up capital £ 100 and its incorporation certificate is Ex.PW-16/129 (PG 1431-1438 Vol-B2 Supplementary reference). Its financial statement of 2004 Ex-PW.16/130 (PG 1439-1456 of vol-B2 Supplementary reference) reflects that accused Hassan Nawaz Sharif accorded a director loan amounting to £ 3,72,942.- to this company.

In the year 2005 accused Hassan Nawaz Sharif gave director loan to his company Q Holding for a sum of £ 441,695/- . Financial statement of 2005 Ex.PW-16/61 (PG 581-604 VOL-B1 Supplementary reference) in this regard has been produced by the I.O. in his deposition. In the same year accused Hassan Nawaz Sharif gave a loan of £ 13,320 to Quint Eaton-2 Place Ltd. as reflected in the financial statement of 2005 being Ex.PW-16/83 (Pg.948 to 955 vol-B1 Supplementary reference). Accused Hassan Nawaz Sharif also gave £ 5,600 director loan to Quint Ltd. in the year 2005 as manifests in financial statement of this year of the company Ex.PW-16/77 (PG. 804 to 905 Vo. B1 Supplementary reference).

In the year 2006 accused Hassan Nawaz Sharif gave a director loan of £ 469,351 GBP to Flagship Investments Ltd, which duly reflects in financial statement Ex.PW-16/39 (PG-301 to 334 Vol-B Supplementary reference). He also gave £ 48,029 as director's loan to Quint Eaton Place 2 Limited as shown in financial statement of the company pertaining to year 2006 Ex.PW-16/76 (PG-858 to 883 vol B1 Supplementary reference). Accused Hassan Nawaz Sharif also accorded loan of £ 50,894 to Quint Ltd. in this year as reflected in the financial statement being Ex.PW-16/132 (pg 1483-1508 Vol B2 Supplementary reference).

In the year 2007 Que Holding Ltd. was given another director loan of £ 501,816 GBP by accused No.2 as evident from financial statement Ex.PW-16/63 (Pg 629-658 vol B1 of Supplementary reference). Accused Hassan Nawaz Sharif also gave a loan of £ 35,031 GBP to his company Quint Ltd. in this year as manifest in its financial statement of 2007 Ex.PW-16 133 (Pg 1509-1536 vol-B2 Supplementary reference).

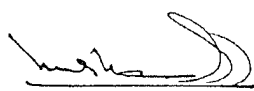


24.12.18
JUDGE

Accountability Court-2
Islamabad

40. It is admitted that accused Hassan Nawaz Sharif was born in 1976. He remained a student till June 1999 in the United Kingdom. On 12-10-1999 when the Accused No. 1 was removed from the office of Prime Minister the accused Hassan Nawaz Sharif was in the United Kingdom. The Accused No. 1 and No. 3 moved to the Kingdom of Saudi Arabia ("KSA") on 10-12-2000. The evidence, both oral and documentary, clearly shows that until the end of 2000 accused Hassan Nawaz Sharif did not have any known substantial independent source of income. The income tax returns and wealth statements of accused persons have been collected by the I.O. Muhammad Kamran from the concerned quarter. PW-1 Jahangir Ahmed is Commissioner In Land Revenue with Holding Taxes Zone Original Tax Office-II Lahore who deposed about his appointment as focal person in the matter and he also produced the income tax returns, wealth tax returns and wealth statements of the accused persons Ex.PW-1/6 to Ex.PW-1/14 and accumulative worth of all the three accused persons was Rs. 50,940,870/- plus US \$ 64,984 in the year 2001. Also, it is established and not contested, that none of the wealth and assets (nor any part thereof) declared in the above-mentioned returns filed with the Federal Board of Revenue was utilized by the accused persons to fund establishment or acquisition of any asset, business or property outside Pakistan Admittedly, the accused were neither having any declared asset, property or company prior to 2001 in any of the country of the world nor do any of them claim or admit to possessing or maintaining any bank account outside of Pakistan at that time. The accused had even not mentioned any of the assets abroad in their tax returns mentioned above. Accused have also not claimed to be the beneficial or actual owner of any sharer of any assets, company or business in any of the foreign country prior to 2001.

The position taken in CMA No. 432/17 is that 2001 was the point of time when accused Hassan Nawaz Sharif started business activities in the United Kingdom by incorporating Flagship Investments Ltd. with a paid up capital of £1. Thereafter, from the record, it appears that he kept on setting up different companies with properties attached thereto and till 2007 he, ostensibly, had become the owner of the companies named below which are mentioned in the charge itself.



24.12.18
JUDGE
 Accountability Court-2
 Islamabad

1. Flagship Investments Ltd.
2. Hartstone Properties Ltd
3. Que Holding Ltd.
4. Quint Eaton Place 2 Ltd
5. Quint Sloane Ltd (formerly Quint Eaton Place Ltd)

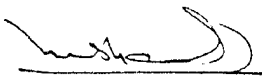
6. Quint Ltd.
7. Flagship Securities Ltd
8. Quint Gloucester Place Ltd.
9. Quint Paddington Ltd.(formerly Rivate Estates Ltd.)
10. Flagship Developments Ltd
11. Alana Services Ltd (BVI).
12. Lankin SA (BVI) and
13. Capital FZE (Dubai).

The prosecution has brought on record, inter alia, incorporation certificates, appointment of directors and secretary documents, and financial statements as well as some details of properties held by the companies along with related charge documents in respect of 10 out of the abovementioned 13 entities.

Mr. Muhammad Kamran I.O. of the case appeared as PW-16 and has got exhibited all the above mentioned documents in his deposition recorded on 07.11.2018 and 8.11.2018 which is not reproduced herein for the sake of brevity and as per relevancy may be readily examined and considered as those are on the record as Ex.PW-16/28 to Ex.PW-16/133, Ex.PW-16/139 to Ex.PW-16/205 excluding the notarizations, apostille certificates and order of confirmations, relating to the said companies respectively, which are also on file.

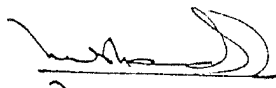
41. As decipherable from the voluminous documentary evidence pertaining to the said companies and properties acquired in the name of these entities, the said companies were set up and properties were purchased in their name during 2001 to 2007.

Of the 13 companies mentioned above the prosecution has brought on record documentary evidence in respect of 10 companies only, whilst, the setting up of 1 entity i.e. Capital FZE is not denied. The Mutual Legal Assistance response sent by JIT with reference to Capital FZE has not been responded to as yet from the foreign jurisdiction but documents obtained from the Jabel Ali Free Zone Authority (where Capital FZE was incorporated and registered) being Exh. PW-15/40-1 Exh.PW-15/40-4, establish that Capital FZE was a company incorporated in year 2001 in the name of accused Hassan Nawaz Sharif. For establishing linkage of Accused no. 1 with this company, the prosecution has placed on record documents Exh.PW-15/41 to Exh.PW-15/43 which establish that Accused No. 1 was appointed as Chairman of the Board of Capital FZE at a monthly salary of AED 10,000/-. It is apparent from the Judgment dated 28.07.2017 of the august Supreme Court of Pakistan and

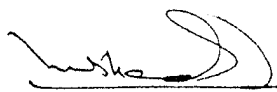

 24.12.18
 JUDGE
 Accountability Court-2
 Islamabad

also from the Judgment reported as PLD 2018 SC 1 that the Accused No. 1 through his counsel has admitted his appointment and employment as Chairman of the Board of Capital FZE as well as the monthly salary of AED 10,000 but claimed that he never actually withdrew any such salary. This position having been dealt with by the august Supreme Court of Pakistan admittedly has gone against the Accused No. 1 and has now attained finality and does not require further discussion by this Court. The matter before the Supreme Court involved non declaration of and admitted asset (i.e. unwithdrawn but accrued salary income in the statements and assets of the Accused No. 1 and his spouse and dependants in his nomination form for contesting election to the National Assembly) whereas the focus of this Reference is alleged acquisition and possession of "assets" beyond the known sources of income of the Accused No. 1 within the meaning of the Ordinance and hence separate and distinct.

42. Whilst analysing whether or not the Accused No. 1 is the real beneficial owner of Flagship Investments Ltd. or has substantial beneficial interest therein, it is relevant that the financial statements (Exh. PW-16-42, and Exh. PW-16/43) pertaining to Flagship Investments Ltd for the year 2002-2003 respectively, under the heading of director interest shares is elaborated with the additional phrase Director's Interest in the Share of Company. "Including Family Interest". This financial statement for the year 2003 bears the signature of accused Hassan Nawaz Sharif qua Director of the Flagship Investments Ltd. These entries do, in the Court's opinion, point towards individual(s) other than the Accused No. 3 who are "family" holding beneficial interest in Flagship Investments Ltd. although the Accused No. 1 claims that Hassan Nawaz Sharif is the sole beneficial owner thereof. It is also pertinent that the Accused No. 1 being the father of the Hassan Nawaz Sharif could also reasonably be said to be covered within the abovementioned phrase referring to "family interest". Moreover, given that: (a) the Court is satisfied that the explanation or justification of the source of wealth which funded, inter alia, the setting up of Gulf Steel Mill (in Dubai UAE), ASCL and HME (in KSA) and the businesses set up in the United Kingdom ostensibly by Hassan Nawaz Sharif, as given by or on behalf of the Accused No. 1, No. 2 and No. 3 to the nation by the Accused No. 1 in his televised speeches, in CP 29 of 2016, before the JIT and also before this Court, as applicable, is bogus and hence rejected by this Court for reasons set out hereinabove; and (b) at the time the very first entity on record (i.e. Flagship Investments Ltd.) was established in


24.12.18
JUDGE
Accountability Court-2
Islamabad

the United Kingdom, Hassan Nawaz Sharif on account of his young age, admitted position and also the tax record in Pakistan did not have any substantial independent source of income (including, income to enable him to personally and out of his own independent income inject the initial "director's loan" of £ 705,071 into Flagship Investments Ltd.), the possibility of the funds having been provided by the Accused No. 1 from his undeclared, secret wealth and assets held outside Pakistan cannot be ruled out completely. However, after weighing all the evidence brought on record by the prosecution, the Court is of the view that, unlike the allegations and charge in the separate Reference No. 19/2017 (also involving the same three accused persons but pertaining to ASCL and HME specifically) where there was sufficient and convincing incriminating evidence and also admitted facts (on account of the several material factors and evidence mentioned in the Judgment pertaining to said Reference No. 19/2017 including, but not limited to, convincing evidence of there being at least three shareholders in ASCL (and not just Hussain Nawaz Sharif as claimed) and Accused No. 1 directly receiving in excess of 88% of the admitted net profits of HME over a sustained period) to satisfy the Court and its conscience as per settled principles of safe administration of criminal justice that, in fact and in reality, the Accused No. 1 held substantial beneficial interest in ASCL and HME to the extent necessary for the same to constitute and be safely held to be the "assets" of the Accused No.1 within the meaning of the Ordinance, on balance, whilst as aforesaid the possibility of the same cannot be completely ruled out, in this particular Reference and in view of the specific charge framed therein against the Accused No. 1, there is insufficient evidence to safely reach the conclusion that the Accused No. 1 is the real beneficial owner of the entity Flagship Investments Ltd. or assets held in its name as also the other entities listed in the charge. Here it is also pertinent to underscore that the actual "paid up capital" of the entities listed in the charge in many cases is £ 1 or £ 100 with the other amounts injected by way of loans (the source of which admittedly remains unsubstantiated). Moreover, whereas the reasonable assessed combined cost of funding ASCL and HME was in the tens of millions of US \$, here the funds admittedly employed to actually incorporate the first entity i.e. Flagship Investments Ltd. is modest in comparison. The prosecution has also been unable to bring on record evidence of transfer or remittance of funds directly from these entities to the Accused No. 1 (unlike in relation to HME in Reference 19/2017) which in itself would have been material evidence and strong actionable indicator of the "asset" being held for the benefit of another (i.e. Accused No. 1) by an ostensible


 24.12.18
 JUDGE
 Accountability Court-2
 Islamabad

owner (i.e. son of the Accused No. 1). It has been laid for our guidance in 2015 P Cr. L J 697 titled (Firdous Khan Vs. The State) that:


" Person charged with criminal offence was to be saddled with liability only if prosecution had established its case against him beyond all reasonable doubts otherwise not."

Upon a cumulative consideration of the foregoing, therefore, whilst the possibility of the Accused No. 1 being the real beneficial owner of the assets referred to in the charge cannot be ruled out, based on available evidence, in this particular Reference, the Court is inclined to extend the benefit of the doubt to the Accused No. 1. As such, while giving him benefit of doubt, I do hereby acquit him of the charge as framed against him personally. As far as the other co-accused Hassan Nawaz Sharif and Hussain Nawaz Sharif are concerned, they have already been declared as Proclaimed Offenders. Perpetual non-bailable warrant of their arrest be issued against them directing the NAB to enter their names in the relevant register under intimation to this Court. As such, file along with evidence and other material be kept intact till they appear or arrested and brought before the Court for facing the trial.

File after compilation and completion be consigned to record room.

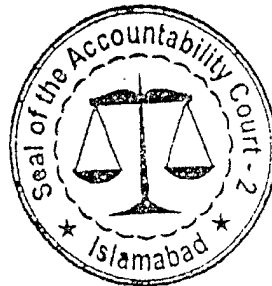
Announced

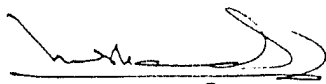
24.12.2018


24.12.18
(Muhammad Arshad Malik)
Judge
Accountability Court-II,
Islamabad.

It is to certify that this judgment is comprising upon 69 pages. Each page has been signed by me after making necessary corrections therein wherever required.

24.12.2018




24.12.18
(Muhammad Arshad Malik)
Judge
Accountability Court-II,
Islamabad.