

IN THE COURT OF JUDGE, SPECIAL COURT (OFFENCES IN BANKS)  
PUNJAB, LAHORE

Crl. Misc. No. 105 /2009

DG FIA, FIA Headquarters, Islamabad

Through

Inspector SIU/FIA Islamabad

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JUDGE

27.03.10

..... Applicant

FIR No. 09/2009 dated 21.02.2009

Offences Under Sections: 4, 5, 8(1), 23 of Foreign Exchange Regulation Act, 1947.

409, 420, 468, 471, 109 of Pakistan Penal Code, 1860.

7, 8, 9 of Prevention of Electronic Crime Ordinance, 2008.

5(2) of Prevention of Corruption Act, 1947.

Police Station:

FIA, Crime Circle, Lahore.

**SUBJECT: IN REPLY TO COURT ORDER DATED 20/03/2010 OF THIS  
LEARNED COURT DIRECTING FIA/SIU TO NOT TAKE  
ACTION AGAINST THOSE FACING TRIAL BEFORE THIS  
HONOURABLE COURT**

Respectfully Sheweth:

1. That the Ministry of Interior received an application addressed to the Prime Minister of Pakistan from Mrs. Kausar Bano, 5 Baqar Lane, Canal View Housing Society, Lahore (wife of Mr. Lakht-e-Hasnain accused) leveling serious allegations against the conduct of the investigating team of FIA Lahore who were entrusted to carry out the investigation on the matter before this Honourable Court, supported by documentary evidence. Mrs. Kausar Bano claimed the team had overlooked significant material evidence in this case and misrepresented the facts to protect the actual culprits in this matter and that great injustice had been done to Mr. Lakht e Hasnain and ZARCO Exchange Company (Pvt) Ltd.
2. That keeping in mind the magnitude of the impact of the closure of ZARCO Exchange Company on the overall economy of Pakistan (the said company being the leader in bringing inward remittances to Pakistan and Pakistan significantly losing foreign exchange due to its closure and at least 1300 employees losing their jobs), the Ministry of Interior directed FIA to verify the contents of the application and assess if the application had merit.
3. That to ascertain facts and determine the efficacy of the above mentioned allegations, an officer of the rank of DIG/ Director was deputed to conduct a preliminary enquiry in to the facts of the application. The officer aforesaid visited Lahore in February 2010 and examined in detail documentary and oral evidence.
4. That upon the basis of the evidence produced before him and the examination of witnesses/ members of the FIA investigation team of FIA Crime Circle

Lahore the enquiry officer mentioned in paragraph 3 above gave his findings as under:

"As a result of enquiry conducted by the undersigned, it is established that ZARCO Exchange Company had a very large network as an agent of the Western Union and was given various awards during the periods 2006, 2007 and 2008. The investigation in this case has omitted to contradict or support the contention of the applicant and her husband Lakht-e-Hasnain. The allegations leveled against the members of the FIA investigating team, Mr. Najam-ul-Saqib of the State Bank of Pakistan and persons allegedly involved in day to day operations of the company are serious and prima facie have substance. The basis of the entire case against ZARCO Exchange relates to alleged violation of the rules and regulations of the State Bank of Pakistan and financial loss caused to various stake holders. For all these matters it was essential to thoroughly investigate persons assigned with the tasks of compliance, audit, finance, accounts and day to day operations. Prima facie this was not done and irrelevant persons i.e. Lakht-e-Hasnain who was based in the USA and was not involved in the day to day working of the company and Abdul Mussawar Waqar who was the head of IT Department and had nothing to do with financial matters and according to the observations of the Lahore High Court in his bail orders had not taken any pecuniary benefit were arrested by the investigating team. The undersigned observes that there is prima facie doubt as to the conduct, procedure and the outcome of the investigation."

5. That on the basis of the above mentioned preliminary enquiry the matter was brought before a committee which then sent its proposal to DG FIA Mr. Zafarullah Khan who took notice of the serious negligence of the FIA Lahore investigating team and directed Director SIU (Special Investigating Unit), FIA, Islamabad to conduct an internal fact finding enquiry pertaining to the conduct of concerned FIA officials and assist this Honourable Court after the assessment of the conduct of the said team and bring on record any new/fresh evidence that may be uncovered during this process.
6. That in pursuance of the decision mentioned in paragraph 5 above the SIU team consisting of Mr. Liaqat Ali Saleemi, Director SIU/FIA and the undersigned visited Lahore and during the internal enquiry found out documentary and oral evidence pertaining not only to the misconduct/malafide of the FIA investigation team of Crime Circle, Lahore but also relating to fictitious bank accounts, assets beyond means, forgery and fraud, and Foreign Exchange accounts with heavy transactions of millions of US Dollars of certain ZARCO employees who were deliberately and with dishonest intention let off during the course of investigation.
7. That while the team headed by Director, SIU, FIA Islamabad has uncovered significant material evidence, it must not be forgotten that this was a result of an internal enquiry in to the conduct of FIA Lahore officials and the team has not yet taken any action against any accused or party so far. The team understands that the Honourable Court has taken cognizance of the matter and hence, once the internal departmental enquiry is complete and the team believes that fresh investigation is unavoidable, the team will bring this in the knowledge of this Honourable Court and only take action after taking this Honourable Court in to confidence and seek permission to carry out action against the actual culprits in the interest of justice and to assist this Honourable Court.
8. That in accordance to the Order of this Honourable Court, the team intimated the accused who moved this Honourable Court and are facing trial that they are not required to come to Islamabad regarding any enquiry till the 27<sup>th</sup> of March, 2010 via SMS since they had switched off their phones and there was

9. That Mr. Kamran Hayat Mirza who was nominated in the FIR pertaining to the matter before this Honourable Court and yet has not even been arrested or even included in Column 2 of the Challan to which this Honourable Court has taken cognizance of, filed a writ petition before the Lahore High Court and the Learned Chief Justice of Lahore High Court has summoned DG FIA, Director SIU, FIA and the undersigned to appear before the Honourable High Court on the 5<sup>th</sup> of April, 2010, and submit a para-wise reply to the above mentioned writ as well as the report of what has transpired so far. The Honourable High Court, in the meanwhile has suspended any action by the FIA regarding the matter till the matter is decided by the Honourable Lahore High Court.

Prayer:

That since the Honourable Lahore High Court has suspended any and all actions by FIA, till the hearing of the matter before the Learned Chief Justice of Lahore, the application submitted before this Honourable Court by those facing trial has therefore become redundant till further orders of the Honourable Lahore High Court and it may be decided as such.

However, the team assures this Honourable Court that no action will be taken against any party/individual without first seeking permission from the Honourable Court to carry out any action against actual culprits.

Deposited

27/3/10  
Niazat Ali  
Insp FIA (S)  
Islamabad

**Affidavit:**

I, Niamat Ali, Inspector SIU/FIA Islamabad, do hereby state on oath that the contents of the enclosed application are true and correct to the best of my knowledge and belief.

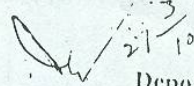


**Deponent**

(Niamat Ali, Inspector SIU/FIA Islamabad)

**Verification:**

Verified on oath at Lahore on 27<sup>th</sup> day of March 2010 that the contents of the above affidavit are true and correct to the best of my knowledge and belief.



**Deponent**

(Niamat Ali, Inspector SIU/FIA Islamabad)