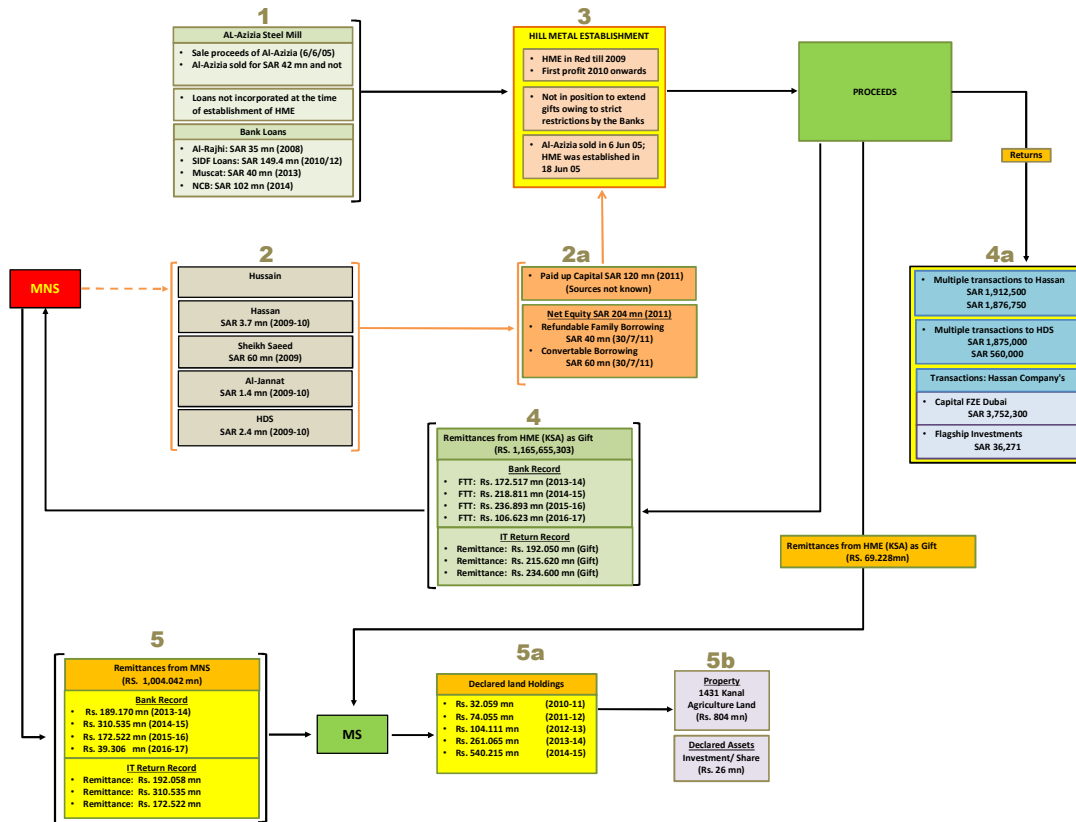


INFLOW & OUTFLOW OF HILL METAL ESTABLISHMENT



CHRONOLOGY OF EVENTS

<p>1</p> <p>Stance of HN</p> <ul style="list-style-type: none"> As per CMA No. 432/2017, in 2005 Hussain Nawaz set up a new steel manufacturing business in Jeddah, Saudi Arabia by utilizing the sale proceeds of the Azizia Steel Company Limited. Total amount of sale proceeds were SR 63.1 million equivalent to USD 16.827 mn (2005) Funds from foreign banks sanctioned as Project Loan for HME includes SDF - SR 149.4 million (USD 39 mn) in 2010-12, Al-Rajhi (SR 35m in 2008), NCB (SR 102 mn in 2014), Muscat Bank (SR 40 mn in 2013) The baseline analysis of the agreement reveals that the Assets of the Company were sold for SR 63 mn, however, after adjustment of SR 20 mn on account of outstanding loan liability, net worth came to amount of SR 43 mn folloes Retrieved document claimed that HN established the company in Jeddah having paid up capital of 100 mn, purchased land, bought machinery and constructed grey structure; not possible in SR 43 mn (justification required) First loan allocated in respect of HME was in 2008, however, the company was established in 2005; contrary to the claims of HN 	<p>2</p> <ul style="list-style-type: none"> It has been revealed that MNS transferred SAR 750,000 to HN in Sep 2010 which was further remitted to Hill Metal Establishment - case in point Whereas Hassan, Sheikh Saeed, Al-Jannat & HDS invested cash amounting SAR 3.7 mn, SAR 60 mn, SAR 1.4 mn and SAR 2.4 mn respectively to HME As per the accounts statement received from third party, paid up capital of HME as at 2011 was SAR 120 mn and Net Equity was 204 mn (after adding up Refundable Family borrowing SAR 40 mn and Convertible Borrowing SAR 60 mn on 30 Jul 11 	<p>3</p> <ul style="list-style-type: none"> Al-Azizia was sold in 06 Jun 2005, whereas HME was established in 18 Jun 2005; difficult to invest money in such short notice After establishment, HME remained in Red till 2009; first profit of HME was generated in 2010 onwards Keeping in view the track record, it brings out that HME was not in position to extend gifts to MNS, owing to the strict restrictions by the Banks during that time Around 89% of total net profit earned by M's HME during 2010 to 2015 was sent to MNS through gifts and remittances indicating his close association or beneficial interest in the company Till the year 2012-13, the received by MNS from HN & HME were declare as gifts whereas, the same amounts were termed as remittances after the year 2013-14 in his tax returns 	<p>4</p> <ul style="list-style-type: none"> The annual cash flow and retained earnings from HME enabled HN to send remittances to his father (MNS) in Pakistan cash amounting (RS. 1,165,655,303), brother SR 3.7 mn, HDS SAR 2.4 mn, FZE SR 3.7 mn and Flagship Investment SAR 36,271 From the year 2010 till May 2017, MNS received gifts of Euro 1,267 mn and US\$ 10,148 mn from HNS & HME. The Rupee equivalent of these foreign currency amounts come to around Rs.1,165 mn. Remittances of around Rs.69,228 mn were also received by Mariam Salfar (MS) from HME More than 70% of these gifts were further transferred by MNS to the accounts of MS as gifts while a substantial amount of Rs.100 million was given as donation to PML(N) right before GE 2013 Around 25% of these gifts were withdrawn in cash while the substantial amount of gifts given to MS (70%) was reportedly utilized for purchase of properties in the name of MS. This indicates that gifts and remittances received by MNS were substantially used for acquiring assets 	<p>5</p> <ul style="list-style-type: none"> It has been in the knowledge of HN that his father has used the gift remittances sent by him to equitably strengthen the financial position of his sister (Mariam) Mariam purchased property (1431 Kanak Agricultural land) amounting Rs. 804 mn and declared assets (Investment/ Shares) amounting Rs. 26 mn A total amount of Rs.1,165.655 million was sent by HN to MNS as gifts and remittances from 2010 till May 2017. Out of this amount, Rs.822.725 mn were gifted by MNS to MS during the same period. Consequently the declared land holding of MS increased from zero in 2010 to Rs.804.424 mn in 2016 Declared gifts were used to repay the amounts to the person who gifted those amounts i.e. from MS (Rs.24,851 mn) to MNS and from MNS (Rs.19,460 mn) to HN
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