



REPUBLIC OF KENYA

**JUDICIAL COMMISSION OF INQUIRY INTO
THE GOLDENBERG AFFAIR**

**VERBATIM REPORT
OF PROCEEDINGS**

Wednesday, 16th June, 2004

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RECORDED AND PRODUCED BY THE HANSARD TEAM, KENYA NATIONAL ASSEMBLY

**RECORD OF EVIDENCE GIVEN TO THE JUDICIAL
COMMISSION OF INQUIRY INTO THE GOLDENBERG
AFFAIR ON WEDNESDAY, 16TH JUNE, 2004, AT
KENYATTA INTERNATIONAL CONFERENCE CENTRE**

CORAM

Justice S.E.O. Bosire	-	Chairman
Mr. P.N. Kitonga	-	Vice-Chairman
Mr. Peter Le Pelley	-	Commissioner

JOINT SECRETARY

Mr. George Kegoro	-	Joint Secretary
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ASSISTING COUNSEL

Dr. John Khaminwa	-	Lead Assisting Counsel
Dr. Gibson K. Kuria	-	Snr. Assisting Counsel
Mr. Waweru Gatonye	-	Assisting Counsel
Mrs. Dorcas Oduor	-	Assisting Counsel

(The Commission convened at 9.15 a.m)

(Mr. Pattni in the Witness Box)

Dr. Kuria: May it please your Lordships, the appearances are as before. Two advocates have intimated to me that they wish to make applications. One of them is Mr. Mohammed Nyaoga. The other one is Mr. Koech.

Mr. Kitonga: Yes, Mr. Nyaoga.

Mr. Nyaoga: My Lords, with your permission, I have instructions to go on record for hon. ole Ntimama who has been served with an adverse notice. I am seeking your leave.

Mr. Kitonga: Leave is granted.

Mr. Nyaoga: Much obliged, my Lords. With your permission, I do recall that this Commission made an order that a distinction be created between the direct and secondary beneficiaries of the funds of Goldenberg affairs. I am not sure whether that has been done. However, my specific instructions are that my client never, at any time, dealt with Mr. Pattni. In fact, he has only seen his face in the media. He has never seen his face directly. He would wish to receive the nature of the evidence against him, so that he can give me instructions at the earliest. This is because the notice served to him does not, in any way, indicate the nature of evidence that will be adduced against him by Mr. Pattni.

Mr. Waihiga: My Lords, with your permission, may I also enjoin myself to the sentiments expressed by Mr. Nyaoga. My learned friend, Dr. Kuria, has asked me to see him after this. But we are still waiting to know the nature of the complaints against my client. So, I keep coming and going out, but I do not want to stay here too long.

Mr. Kitonga: We are directing that those who have a complaint of this nature should get in touch with the Joint Secretary for particulars. Any other application? Okay, very well. We remind you of your oath, Mr. Pattni.

Mr. Pattni: Yes, my Lords.

Dr. Kuria: Maybe, my Lords, I could update your Lordships on the progress made towards service. First, we have made a classification. The list of people from No.189 to about 1,200 is of people who received the money from a few primary recipients. The others, according to the instructions, received direct. However, we need to analyse that so that we may be sure that no one has been left out. The officers tell me that of those who will appear in the list of 188, only 35 have been served in Nairobi area. There was a logistical problem which has been overcome. Money had not been released. The officers are leaving Nairobi for the provinces today. We expect their reports on Sunday. Therefore, we are not ready to adduce the evidence relating to elections as of now.

The other point is that it looks like there was a confusion in some people. According to the terms of reference, the Commission is supposed to trace the money received by Goldenberg International Limited to the recipients. So, even secondary receipts are covered by the inquiry although we propose to concentrate on the evidence of primary recipients.

Mr. Ojiambo: My Lords, may I just be heard on this?

Mr. Chairman: I think we have talked enough on this!

Mr. Ojiambo: My Lords, since this affects a lot of people, and there is a possibility that people who are not supposed to be adversely mentioned may be mentioned, I think it is incumbent upon the Assisting Counsel, not only to include those who should be included, but also to exclude those who should be excluded. My humble view is that, as we stand here, none of us knows who should be. We do not have that exhibit so that we can give our own input as to whether--- So, at the moment, we would be ambushed here with evidence, if any of our clients are involved. People will be served with notices when they ought not to have been served. My humble view is that, along with what I understand your Lordships to have said the other day, there ought to be very clear understanding that it is only those who may have received monies with knowledge. Because if that be so, all people who have paid electricity bills or paid salaries would have to be here. But that is not what this Commission intended to be investigating into. My Lords, that is my contribution.

Mr. Chairman: I think we had clarified this. I do not want us to go over and over the same thing again. For purposes of proceeding here, we will confine ourselves to the primary recipients. We cannot possibly go to the trader or even the people who were instructed to print posters, for instance. It would be very difficult for this Commission to deal with every individual who remotely received this money. That is why the last time we said we have

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to confine ourselves, for purposes of proceedings here, to primary recipients. A Commission like this cannot handle proceedings like, say, a police investigation would, when we are considering other steps to be taken. We have to stop somewhere and somebody else picks up from there. That is why I said last time that we have, for the purposes of proceedings here, to confine ourselves to primary recipients. Otherwise, we will be here for five years and already we are under pressure on time and resources. We have to stop somewhere. Then, as a Commission, we will make our own recommendations on the way forward. It is the way forward after our proceedings which, perhaps may affect those secondary recipients. But for the purposes of proceedings here and for the purpose of adverse notices, I think we have to confine ourselves to the primary recipients. I believe that is sufficient clarification. For those who need details, we have a Secretariat.

Mr. Waihiga: My Lords, it had been directed that we turn up today for this particular purpose. Do I understand now that it would be on Monday so that we can take our leave?

Mr. Chairman: Come on Wednesday, next week.

Mr. Waihiga: That is when the details of this list will---

Mr. Chairman: Unless, you are invited earlier than that!

Mr. Waihiga: Much obliged, my Lords.

Mr. Odera: My Lords, my concern, with your permission, would not be on the details of this information or evidence as it were. Perhaps, I was not here when your Lordships made the ruling or the direction on the primary recipients. I am concerned, from the public interest point of view, to know or your Lordships to give directions on what it constitutes primary recipients. Is it the person---

Mr. Chairman: Primary recipients are the people who dealt directly with Mr. Pattni.

Mr. Odera: My Lords, what if they dealt with Mr. Pattni through an establishment? I believe when Mr. Pattni was dishing out this money, there must have been some kind of machinery that was set up. What if they went through this machinery and not Mr. Pattni himself?

Mr. Chairman: Then he will tell us. A machinery is not a book which does not talk. A machinery means an institutions with people. If it is the LSK where you come from, do you not have a chairman?

Mr. Odera: Yes, we do, my Lords.

Mr. Chairman: You have a secretary, committee members who are human beings?

Mr. Odera: Yes, we do, my Lords. So, my concern here was that if they dealt with these other people, Mr. Pattni had congregated together, then would those fall within the category of primary or secondary beneficiaries?

Mr. Chairman: Congregated in what way?

Mr. Odera: My Lords, if he had set up some kind of a forum where people would come and get the money for election purposes without necessarily necessary dealing with them.

Mr. Chairman: Those who got the money? They must have signed for it.

Mr. Odera: Absolutely, my Lords.

Mr. Chairman: So, whoever signed for the money is supposed---

Mr. Odera: Not necessarily dealing with him directly in that aspect.

Mr. Chairman: That is dealing with him direct. How do you receive the money?

Mr. Odera: Much obliged. If he would receive the money---

Mr. Chairman: Through a post office?

Mr. Odera: Not by post, but through a person who he had put there, then you would concern yourself to be a person who never dealt with him directly.

Mr. Chairman: What do you mean? I do not understand!

Mr. Odera: My Lords, I am talking of a situation. This is because if you consider the monies that were used for election purposes, although I have not had occasion to look at the document that was retrieved from us, I believe that it is only feasible that Mr. Pattni had set up some kind of a board that would be dealing with monies that were meant for the 1992 election campaigns.

Mr. Chairman: And that board is the one which was dishing out the money.

Mr. Odera: Absolutely, my Lords.

Mr. Odera: So, if you dealt with the board, would you have dealt with Mr. Pattni?

Mr. Chairman: That board is an agent of Mr. Pattni. Is that not so?

Mr. Odera: My Lords, that is why I was seeking direction.

Mr. Chairman: He employed a clerk to manage the finances; that was him. Is that not so? That is the law of agency.

Mr. Odera: Absolutely, my Lords.

Mr. Chairman: And you know it!

Mr. Odera: That is why I wanted to seek the clarification.

Mr. Chairman: What I think you should do, Dr. Kuria, is to draw that list of the primary recipients and give it to them. That is the easier way out so that there is no dispute as to who is supposed to be served and who is not supposed to be served. After discussing with Mr. Pattni, you will know those who had received the money. Draw a list and supply it even to the Press so that they know whom we intend to serve or we have served with adverse notices. I believe everything is clarified. There would be no interjections again hereafter.

Mr. Nyaoga: My Lords, in the list, he should clarify what they received. Whether it is cash or vehicles so that we know.

Mr. Chairman: Not that list! That list is for the purpose of identifying those who will receive notices. The notices must be received.

Mr. Monari: My Lords, I am happy about that because, for ten years, my client was charged for stealing all that money. I am just calculating backwards to zero.

Mr. Chairman: All right. Could we proceed?

Dr. Kuria: Mrs. Violet Barasa has requested me to communicate to your Lordships that there was an inaccurate report in one of the daily newspapers. Although I had described her as Mrs. Violet Barasa, one of the media houses described her as Mrs. Nancy Barasa, thereby, confusing her with another person. I hope the correction will be done because, obviously, it is causing concern.

Mr. Chairman: Whoever is concerned, can correct that. Although, there is no harm done.

Dr. Kuria: Much obliged, my Lords.

Mrs. Barasa: My Lords, there is harm. Mrs. Nancy Barasa, is a colleague of mine. She may think I am not co-operating.

Mr. Chairman: Both of you are lawyers and you come from the same background. It is not mis-describing you as somebody else. They have understood. You understand? They understand; they have raised their hands.

Mrs. Barasa: Much obliged, my Lords.

Mr. Chairman: Thank you.

Dr. Kuria: My Lords, the next evidence will be about Pansal Investments and Pan African Bank. We will supplement the evidence which was given by Mrs. Wambete. What the

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witness will concentrate on is really evidence that was not covered by Mrs. Wambete. I have copies of the statement, and annexed to the statement are documents which explain that.

Mr. Kitonga: It starts at what page? Yesterday's evidence went up to page 91(b).

Dr. Kuria: My Lords, there was a bunch of letters that we gave number 92. There were a number of pages. Sorry. It is given as number 91, although, just like page 90, it was a sheet with about six pages. But we gave it page 90. Then, the letter was given page 91, although there were a number of pages. So, that is why this one is given page 92. But it can be corrected.

Mr. Kitonga: So, for everybody's records, yesterday's statement read up to page 91. The last document should read page 91(b). Today's statement commences at page 92.

Dr. Kuria: Much obliged, my Lords.

Mr. Kitonga: That is the continuation of Exhibit No.154, which grows bigger and bigger by the day.

Dr. Kuria: My Lords, the witness had indicated to me that he was ready to answer a question that was asked by the Commissioner about the final status of the account. He has given me a one page summary. I do not know whether we need to---

Mr. Chairman: Just carry on. Forget about yesterday. Carry on.

Dr. Kuria: Okay, let us---

Mr. Oriema: My Lords, if I could seek some small clarification before the learned counsel begins. My Lords, I am aware that your Lordships gave directions that the evidence could be put in some order in terms of the topics and the parts that were being covered. But it is not clear whether your Lordships, therefore, decided that, that should continue to be given in piecemeal. Lots of applications and submissions have been made about that and your Lordships have made rulings. It seems that your rulings, somehow, are not adhered to and, somehow, we keep amending on a daily basis. What we had been hoping for, and especially for persons that are continually being adversely mentioned, like my client is that, at some point, we were going to reach a stage when we will get the entire statement, whether it is in chapters or topics. We were hoping to get the statements together. The problem we have is that, on a daily basis, we have to continue going to look for other clients to get piecemeal instructions on what comes on a daily basis.

There were difficulties which we appreciated at the beginning. They have been highlighted time and again. But we appreciated that when the two weeks adjournment was given, those difficulties could be overcome. Subsequently, your Lordships amended your own orders to indicate that the learned counsel could have up to that weekend in order to sort out things. That is because what he came to tell the Commission was that he had all the

[Mr. Oriema]

statements ready, but he was trying to correlate them to documents which, by then, they had not accessed. Since then, there have been three or four other amendments on that. It is my point that we should be given a clarification as to whether we resign ourselves to a different kind of procedure being followed on behalf of Mr. Pattni. That is because we have been sitting here for a year and half and we have known the procedures that the Commission has been following with respect to every other witness that has come here.

So, if we are going to learn a different one, then probably, we should just be able to know it, so that we do not continue hoping for something which never comes. Could we, kindly your Lordships, get direction on whether we are, indeed, going to get a complete statement from this witness, or we will have to resign ourselves to fate? Thank you, Sir.

Mr. Kitonga: We agree we gave that direction. Can you respond, Dr. Kuria?

Dr. Kuria: My Lords, I indicated the problem of having a full statement. I indicated that we have statements on chapters. My Lords, the essence of what my learned friend is asking is that we write a book. That is because for this witness, the Commission covers virtually every subject. My Lords, it is not possible either for me or the witness to write that kind of book. What we can do, with time available, is to get the witness to address the issues related to various topics the Commission is inquiring into. My Lords, I put up about 18 hours every day trying to do this.

My Lords, to achieve what my learned friend is asking, it would mean extending this inquiry. But, my Lords, I am doing my best. I have now published a chapter on the export compensation. We have had a chapter on the Kshs5.8 billion. We have a chapter on elections, which is not complete because of the reasons you have heard. Now, my Lords, we are going to the Kshs13.5 billion and Pan African Bank, so that the statement is going to come. But, my Lords, that is not unusual. Even in cases, I am not aware of an actual court case that covers the kind of area that Mr. Pattni is covering. So that what I have indicated is that I can now make a chapter on the Kshs5.8 billion and make it available, just like I did. But, my Lords, with respect, the best will in the world, and considering the constraints that there are, what I could do is that, once I finish the chapter, I will then put together a copy that will be made available to the Commission. My Lords, take the subject of the elections. In addition to covering other subjects, I am trying to see the best way of handling that. Therefore, my Lords, I think that my learned friend should sympathise with me, rather than trying to suggest that I do or any counsel do something that is humanly impossible.

Mr. Chairman: I think what Mr. Oriema is saying--- Eventually, you are going to do what he is saying. Whether you do it piecemeal or whether you do it whatever way, you will end up doing what he is saying. How? Because, for example, Pansal Investments; you have treated it as a chapter! You have treated export compensation as a chapter. You have treated the Kshs13.5 billion as a chapter! So, all he is saying, in my understanding, is: Why do you not do all those three statements whichever way you like? You can all them chapters. You can call them sections. But have one document. That is because eventually, you are going to do it anyway.

Dr. Kuria: I agree with that. I will be happy to put all the parts together, so that if he does not have this section, he can have it.

Mr. Chairman: Also, we want to see how we can help in streamlining the proceedings. Like now, the issue of notices which has given us problems since last week, we could have, perhaps, if we had seen the whole thing earlier, given appropriate directions without having to bog down people here, who have no interest in what is going on today. Now, how long do you need to do that statement?

Dr. Kuria: My Lords, the statement on---

Mr. Chairman: Everything! So that you do whatever it is, so that we have one complete statement. Then, on our side, we can also be in a position to know how to guide you people. You see, without knowing what is coming well in advance, we cannot guide. If we cannot guide, then we will be faced with situations which stall the proceedings. For instance, we have covered very little since yesterday. In fact, on average, what we have covered this week, ideally, should have been covered in one day or less! Now, I am worried about the time we are taking on this witness and realising the content, it is a matter which will take a much shorter time. Even if it means that we adjourn, I am prepared, and I will persuade my colleagues to accept that. We can give you even three clear days, so that you are able to work out all that and finish, to avoid all these interruptions. I do not like them at all. So, I think you better think and remember I had cautioned the advocates, because I do not know what aspects they will lead the witnesses on. So, if we are going to cover all those areas, what is left for them, so that they are going to do another statement on the witness?

Dr. Kuria: My Lords, I will finish all that I have, and then the remaining---

Mr. Chairman: Is this the last one for you?

Dr. Kuria: No, my Lords. I have---

Mr. Chairman: How many sections do you have in mind that you intend to do?

Dr. Kuria: I have three more sections.

Mr. Chairman: How long do you need to do the three sections in terms of the statements?

Dr. Kuria: Just three days.

Mr. Chairman: Okay.

Dr. Khaminwa: My Lords, may I chip in?

Mr. Chairman: Yes.

Dr. Khaminwa: My Lords, we can step down this witness. But, in the meantime, that does not mean that we will have to adjourn the Commission at all. We have a number of witnesses who can keep the Commission busy in the meantime.

Mr. Chairman: That is fine. That will even be better for us.

Dr. Khaminwa: We have a number of witnesses whom we can call and could keep the Commission quite busy. My Lords, we could even take a week or two weeks, just to make sure that when we come, we do not even have a repetition of the problem that his Lordship is highlighting, so that the whole thing is done in a candid manner and we can proceed with speed.

Mr. Chairman: I do not mind that at all.

Dr. Khaminwa: My Lords, what I have in mind is that we can take two weeks and, in the meantime, we are going to keep this Commission busy. We have many witnesses to call and put in the stand, and who have nothing to do with Mr. Pattni at all! They may have dealt with Mr. Pattni, but not in a way that Mr. Pattni will be prejudiced in any way at all. That, possibly, could be another alternative.

Mr. Chairman: We cannot allow two weeks. That is for sure!

Dr. Khaminwa: No, I am just putting that tentatively.

Mr. Chairman: Up to a maximum of a week, I could accept that.

Dr. Khaminwa: Just to make sure that we do not come with an excuse that we have not done this or that at all! There is typing and so on. My Lords, my learned friend has pointed out that there are some constraints also. We are not dealing with someone who is free at all. We have to comply with some rules elsewhere. It is just to make sure that we do not come back and ask for further adjournments.

Dr. Kuria: My Lords, let me be on record that I only need three days to have a full statement on everything!

Mr. Chairman: Very well! That is even better! If you can be able to have a complete statement, I have no problem. Mr. Kalove, how long do you need? Oh! Mr. Wambua Kilonzo?

Mr. Wambua Kilonzo: Yes, my Lords. That is exactly what I have been consulting on. On our part, we will take one week to give the evidence.

Mr. Chairman: To provide a statement?

Mr. Wambua Kilonzo: Yes.

Mr. Chairman: Are you likely to get that statement and put it together with his statement, so that when he stops, you pick up from there?

Mr. Wambua Kilonzo: Well, I do not know how much he has done, although I have been in touch with him. But, if possible, we will be able to do that.

Mr. Chairman: Now, do your statements. Once the statements are ready, put them together and let the pagination be done from where we have reached, up to the end. Then, when he stops, he picks up from there and continues up to the end, so that we have one complete statement concerning this witness.

Dr. Kuria: That will be done, my Lords.

Mr. Bowry: My Lords, I need a clarification as to the participation of Mr. Kalove. It raises a very interesting legal problem. Is he going to cross-examine?

Mr. Chairman: No!

Mr. Bowry: Is it examination-in-chief? Why are two different counsels having two bites at one cherry? So, as far as I am concerned, the clarification I need is this: Is it examination-in-chief or cross-examination, because the principles involved are quite different?

Mr. Chairman: Examination-in-Chief. That is because it will not be cross-examination because they cannot cross-examine their own client.

Mr. Bowry: So, why do we need two different people to do one job?

Mr. Chairman: At their request, we can nominate--- Even at your request, we can nominate anybody to be like assisting counsel. That is really the whole purpose. When they will be doing that, they will be doing it on their behalf.

Mr. Bowry: My Lords, I perceive two agendas. The assisting counsel has a different agenda. Is that not going to create a fair amount of conflict?

Mr. Chairman: We will see it from the statement. Once the statement appears, we will see the sort of agenda which is there, whether it is agenda for justice or agenda for other things.

Mr. Bowry: Much obliged.

Dr. Khaminwa: May I say something, my Lords. Just to fortify what your Lordship is saying, if my learned friend wants me to lead Mr. Kulei in evidence, who is his client, I have no objection at all. I would be glad to do that for him.

Mr. Kalove: My Lords, I need no assistance from him.

(Laughter)

Mr. Chairman: Yes, Mr. Bowry?

Mr. Kalove: My Lords, on our part, as we have put it, we are going to lead Mr. Pattni after Dr. Kuria's evidence. We are not going to cross-examine him.

Mr. Chairman: Even if you wanted, we would not allow you.

Mr. Kalove: We cannot do it in law. It is not possible.

Mr. Chairman: I think we have finished now. Would you want to carry on today with Mr. Pattni, or you would want to carry on with the preparation of the documents?

Dr. Kuria: My Lords, I will complete this today. After that, I will start afresh.

Mr. Chairman: You can start because your microphone was off!

Dr. Kuria: I am sorry, my Lords.

Mr. Chairman: You have put it off!

(Laughter)

Dr. Kuria: I come from a rural area where technology is not as advanced as it is in Nairobi! My Lords, my preference is that we cover today's statement. It will be part of the entire statement. When I come back, I will deal with the remaining part.

Mr. Chairman: I would suggest that you go quickly through it, so that we can finish it today, so that we do not have it outstanding.

Dr. Kuria: That is correct.

Mr. Chairman: Mr. Kalove, you need three days to do your statement?

Mr. Kalove: My Lords, I thought I said one week to do the statement!

Mr. Chairman: No, you said three days.

Mr. Kalove: My Lords, I have virtually been trying to consult my client. As from Monday, we are slotted for his murder case for two weeks. He has been in custody since November. So, I was also going to request that those two weeks should be accounted for when you are giving me time to prepare. Over the weekend, we are going to be busy with preparation for the murder case for Monday. If we can get a week from the three days Dr. Kuria is asking for, we should be able to complete the statement.

Mr. Chairman: It is because I do not understand the part you are going to cover. My understanding of what Dr. Kuria is doing, is that, he is basically covering everything.

Mr. Kalove: My Lords, we can go on record. We are not going to repeat what Dr. Kuria would have covered. It is entirely a different statement. It is not a repetition.

Mr. Chairman: Okay. Since it is different, that is why I am wondering why you need a week.

Mr. Kalove: My Lords, when he is preparing with Dr. Kuria, we will not be there to prepare with the same witness our statement. He has to finish with Dr. Kuria, first and then from there, we will take our part.

Mr. Chairman: Okay. So, let us count three days; Thursday, Friday and Saturday, because Dr. Kuria works seven days a week! So, up to Saturday, it will be done.

Dr. Kuria: That is correct, my Lords.

Mr. Kalove: That means Dr. Kuria's statement?

Mr. Chairman: Yes. You will start on Monday, Tuesday and you finish.

Mr. Kalove: My Lords, as I said, from Monday, for two weeks, we are slotted in for hearing of his murder trial in the High Court.

Mr. Chairman: You cannot continue with that because we are continuing here.

Mr. Kalove: My Lords, I do not know. We have to make the application that the need arises---

Mr. Chairman: Tell the court that it is not that we are in any way holding it in contempt, but this is a national exercise, which even the Court of Appeal has given priority. The Court of Appeal had to adjourn certain matters concerning this particular witness to accommodate this Commission. So, I am saying, you, perhaps, make it clear to the court, which is handling his case, that we will prefer that we finish with him and then we leave him for the court.

Mr. Kalove: My Lords, I think I have a very big problem with that. Mr. Pattni would prefer to have the murder trial even if it means being slotted in for two days, at least. The moment we lose the time allocated next week, it is going to be next year. He is still in custody and he has not been well. I think this is a case where a lot of humanity has to be invoked. He has been in custody since November last year. The moment we lose the days already slotted in, we are talking about next year. I am sure you know about murder cases. The moment they do not take off, they will never take off.

Mr. Chairman: They will take off!

Mr. Kalove: He has tried very much to co-operate---

Mr. Chairman: They will take off. Fortunately, I know the workings of the Judiciary.

Mr. Kalove: My Lords, it is not easy in the High Court. So far, no hearing has ever taken place since he was charged.

Mr. Chairman: Do you mind me, after finishing here, handling it?

Mr. Pattni: My Lords, if we can get an early hearing date may be in July or August, I would not mind.

Mr. Kalove: My Lords, we had a chat with him because of the Commission. We were saying that within the two weeks slotted in, even if we take three days, we will make a bit of progress in the High Court.

Mr. Chairman: Because we sit in the morning, the High Court can sit in the afternoon because he is not going to talk. Do you understand what I am saying?

Mr. Kalove: But my Lords, you are also---

Mr. Chairman: You can work it out in such a way that because here he talks, there he is not going to talk; you are going to talk, we handle proceedings here in the morning and in the afternoon, you go to the law courts. That is a fair deal.

Mr. Kalove: My Lords, the Commission has to intervene and inform the court of the seriousness of the proceedings and tell them that we can get an early hearing, even in July. That will be our humble view and proposal.

Mr. Chairman: We can consider that one. Please, negotiate with the law courts that way that we have requested that the court lets this witness remain here for the short time we need him. They can slot you in, say, in July. There is no problem.

Mr. Pattni: Thank you.

Mr. Kalove: We have no problem with July. I am going to put up the proposals---

Mr. Chairman: Even August during the vacation, some date can be slotted in.

Mr. Kalove: Thank you. I will do that and then report back to you.

Mr. Chairman: We have not finished. So, by Tuesday, your statement will be ready because I have asked advocates to go away to come on Wednesday.

Mr. Kalove: My Lords, to be fair---

Mr. Chairman: We are being fair also.

Mr. Kalove: My Lords, I have had a chat with my client---

Mr. Chairman: Remember, we granted you a whole week. Do not forget it.

Mr. Kalove: I agree, my Lords, but that was for Dr. Kuria. On our part, we cannot have Mr. Pattni---

Mr. Chairman: We granted this witness a week at his request and not at Dr. Kuria's request. It was his request and we allowed him time or opportunity to access his office. You recall all that?

Mr. Kalove: My Lords, I think we should appreciate the amount of work this man has to do. He is not just dealing with this Commission. He has other criminal cases facing him.

Mr. Chairman: Who?

Mr. Kalove: Mr. Pattni, my Lords. He has always to work 24 hours.

Mr. Chairman: We have bent backwards!

Mr. Kalove: I agree, my Lords. I am not blaming the Commission.

Mr. Chairman: We have bent backwards. Even justice, which is hiding somewhere, has seen it.

Mr. Kalove: My Lords, to guarantee a full statement, let me go on record---

Mr. Chairman: We have released some advocates to come on Wednesday. You heard me say that?

Mr. Kalove: Yes, my Lords, but---

Mr. Chairman: They have already left. They are coming on Wednesday. So, I take it that you can make it.

Dr. Khaminwa: My Lords, may I be of assistance to your Lordships?

Mr. Chairman: We have consulted the Vice-Chairman and I, and we think it is possible. Where is Mr. Kalove? Why do you leave your command post? The only latitude we can give you is that all the statements will be ready by Wednesday and we will start with this witness on Wednesday. The portion which concerns you ought to be with us by the following day, Thursday. So, you have your three days which you requested, so that, that portion which concerns you can be in on Thursday, but we will start with this witness on Wednesday. That is the direction we had given earlier, so that you have your three days which you requested and there should be no excuse.

Mr. Kalove: My Lords, that is why you have been seeing me criss-crossing here trying to get instructions. My client, because he is the one who knows the amount of materials involved, and every single witness, if I may be corrected, has talked about Mr. Pattni, those are the main areas which we would like to cover. We are not asking for too much. You have given me up to Thursday, I am grateful for that. But I was thinking, and I request the Commission if they can give us up to Monday to submit the statement.

Mr. Chairman: That one I say no firmly. We are not going to amend that. You are saying that on the assumption that Mr. Pattni has not been listening ever since we started up to now.

Mr. Kalove: My Lords, he has been sick and in custody.

Mr. Chairman: He has been listening and you excluded yourself from here---

Mr. Kalove: My Lords, I think we had good reasons to exclude ourselves.

Mr. Chairman: Whatever the reasons are, you did not tell us. Do not assume that we have been working away from you. Nothing has gone on here which is not known the world over. Even when we misconduct ourselves, the world knows. It will be ironical to say that you will be ambushed and that you did not know what was going on.

Mr. Kalove: My Lords, I think we are not communicating.

Mr. Chairman: The records have been available throughout. Please, let us not waste more time. You are affecting your own client by taking too much time on this. Let me continue, prepare your portion of the statement and it should be with us by Thursday morning next week. That gives you Monday, Tuesday and Wednesday. Is that right?

Mr. Kalove: My Lords, we will try the much we can. If we cannot, it is too bad.

Mr. Chairman: Well, that means you really did not want to assist us.

Mr. Kalove: No! No! My Lords, I am saying we are going to do the bit we can. In case by Thursday, we have not been able to complete, I will inform the Commission.

Mr. Chairman: If we had not given you more than a week, I would agree with you. However, we had given him more than a week. This is completely additional time and you have to appreciate that we are working under pressure.

Mr. Kalove: My Lords, I do appreciate.

Mr. Chairman: If you do not appreciate that then you will be demanding too much from us.

Mr. Kalove: My Lords, I do appreciate and we will do our best.

Mr. Chairman: Thank you. Carry on!

Dr. Kuria: Mr. Pattni, kindly turn to your today's statement?

Mr. Pattni: Yes, my Lords. It is the issue of Pan African Bank purchase and Panther Investment Limited. The issue of Panther Investments came into being and to my knowledge again during the 1992 general election time. It was first mentioned to me by the

[Mr. Pattni]

then Governor, Mr. Eric Kotut during one of our usual meetings at my house by the pool side at Kitisuru home. It was some time in August 1992. It reads:-

"Over a cup of tea Mr. Kotut told me that he was happy and impressed with the miracle which had been performed to help this country through its worst crisis and gave an example of aid embargo by donors and then in earning the foreign exchange, the ongoing preparations for general elections, the excellent performance and the fast growth which was taking place in Exchange Bank Limited and also helping the CBK with the forex Cs market. Mr. Kotut told me he wanted some help regarding Pan African Bank. Pan African Bank was at that time under a CBK statutory appointed manager. So, Mr. Kotut briefed me about the background of Pan African Bank, that it was the first most successful Asian-owned bank. It was owned by Mr. Aslam. He talked about its stability and rapid growth. It was the first bank which had grown quite well. It had branches in Mombasa and also out of the country in Pakistan which was in Karachi. He explained that it was the only Kenyan-owned bank with a branch overseas. He explained that after the demise of its owner and chairman, Mr. Mohammed Aslam around 18th November, 1991, there was a loan on the bank's deposits and he had to later appoint one, Mr. George Cunningham as the statutory manager of the Pan African Bank".

Dr. Kuria: Please turn to page 125.

Mr. Pattni: My Lords, page 125 is---

Dr. Kuria: No, it is page 124.

Mr. Pattni: My Lords, page 124 is a letter from CBK, Governor's office dated 11th February 1992.

Dr. Kuria: Please read it out?

Mr. Pattni: My Lords, it reads:-

"The Chairman, Board of Directors,
Pan African Bank Limited,
P.O. Box 45334,
Nairobi.

Dear Sir,

APPOINTMENT OF MANAGER

In accordance with powers conferred on the Central Bank by Section 34 2(A) of the Banking Act, the Central Bank of Kenya has appointed Mr. G. W. W. Cunningham as Manager of Pan African Bank Limited to assume the

[Mr. Pattni]

management, control and conduct of the affairs and business of the bank to exercise all the powers of the bank to the exclusion of the board of directors including the use of the corporate seal. This appointment shall be for a limited period necessary to restore confidence in the bank. The appointment shall not exceed six months. We should appreciate if you would ensure that full co-operation is extended to the manager to enable him to assume his duties and carry out such duties without hinderance.

Yours faithfully,
E.C. Kotut, Governor."

My Lords, so that was the appointment he was referring to.

Mr. Kotut briefed me on how the former President Moi was close to Mr. Aslam and how he was a partner in Pan African Bank. He told me the Aslam Group of Companies also owned the Le Meridien Hotel and which was still under construction at that time.

Dr. Kuria: Where is that?

Mr. Pattni: My Lords, Le Meridien is currently the Grand Regency Hotel. It is on Uhuru Highway, but at that time it was still in a skeleton form. Mr. Kotut then told me that the Aslam family was blackmailing *Mzee* and Kotut, Kiptanui and others to expose them for sinking the Pan African Bank after their father's death and accused them of stealing money from their father's bank. At that time, I did not understand much but that was what he was saying. They also wanted to expose *Mzee's* shareholding in Pan African Bank and the hotel too. There are some share certificates there. This was election period again. Mr. Kotut confidentially told me that the family was also threatening to expose certain profits made through oil importation by National Oil Corporation of Kenya (NOCK) and shared between Mr. Aslam, Mr. Kiptanui and *Mzee*. So, Mr. Kotut said that as I had such a good success in banking with Exchange Bank Limited that he wanted my group to buy the Pan African Bank Group of Companies. So, at that time I was just listening. I did not know much. Mr. Kotut said there was also very good profit the Pan African Bank could get through NOCK's monopoly to import oil into the country. It was a lucrative business and any bank handling that account was also quite profitable. Mr. Kotut then tried to impress me. At that time there were so many things going on. He tried to impress me by offering to recommend me to the President so that I could be awarded a medal during 12th December 1992 Jamhuri Day. However, as my nature is quite conservative, I do not take pictures with high political personalities and I also do not envy political medals. So, I politely refused. These medals are recommended. You do not go and ask for them yourself. My friend, Mr. Somaia had medals like EBS and they are displayed on his letterhead of his Dubai company.

Mr. Chairman: Skip that because it does not add anything!

Mr. Pattni: My Lords, I told Mr. Kotut that I would ask Mr. Taher to do the appraisal of the bank and make a feasibility of the group for us to decide on the way forward. So, Mr. Kotut agreed and said he would ask Mr. Kilach to meet Mr. Tahei and give him a letter from CBK to do the needful. Mr. Taher at that time was working for our group. He was

[Mr. Pattni]

a reputable banker. He was a well-known banker internationally. So, he said he would give Mr. Taher a letter from CBK to do the needful. I introduced Mr. Taher to Mr. Kotut officially when Taher had arrived in the country to work for Exchange Bank Limited. Mr. Taher was a well-known international banker with wide experience in the banking industry. So, around 8th September 1992, Mr. Taher was given the go-ahead to liaise with Kassim Lakha Abdulla and Company, the auditors of Pan African Bank to do a full appraisal. Mr. Kotut told Mr. Kilach to give permission to Mr. Taher to liaise with them.

Dr. Kuria: Yes, please turn to page 125 of the exhibit.

Mr. Pattni: My Lords, page 125 is another letter from CBK. It is marked "CONFIDENTIAL". It is dated 8th September, 1992. REF.BSD/08/10. It is addressed to Kassim Lakha Abdullah and Company, P.O. Box 47323, Nairobi. It is for the attention of Mr. Harry Nathwani. It reads:-

"Dear Sir,

Pan African BANK LIMITED

Thank you for giving me and Mr. Taher an opportunity to appraise the accounts of Pan African Bank. I confirm that Mr. Taher has our approval to undertake an independent appraisal of Pan African Bank. As agreed, you allow him access to report and record in your possession. Subsequent to our meeting in your offices, it has been decided that Mr. Taher's access to records and information be confined to this office and your offices. Any reference to the management of Pan African Bank should be made through this office.

Yours faithfully.

J.A. Kilach,

Director, Bank Supervision Department."

My Lords, the letter is copied to Mr. S.A. Taher, P.O. Box 28442, Nairobi. So, this was the letter after Kotut had said he would allow Taher to do the appraisal of Pan African Bank. So, during the inquiry into the Pan African Bank Group, Mr. Taher also got a copy of a letter from KPMG Peat Marwick to Mr. Dinesh Kapila who was the advocate at that time. It is a report of the financial position of Uhuru Highway Development Company.

My Lords, that letter is showing a negative of the shares. It was not showing anything.

Dr. Kuria: Please, turn to page 126.

Mr. Pattni: My Lords, page 126 is a letter from KPMG dated 16th June, 1992 to Mr. Dinesh Kapila.

Dr. Kuria: And what is at pages 127 to 131?

Mr. Pattni: My Lords, at page 127 is a letter from KPMG Peat Marwick dated 15th June, 1992. It is strictly private and confidential and it is addressed to Mr. G.W.W. Cunningham, Managing Director, Pan African Bank Ltd, ICEA Building, 14th Floor, Nairobi. My Lords, he was the Statutory Manager, not Managing Director. The reference is UHDL and it says:-

"Further to my report dated 29th April, 1992 outlining the financial position of UHDL as at 29th February, 1992, and to our subsequent meeting, I set out below a summary of the pertinent points which emanate from the report. Shareholders interests resulting from earlier---"

Mr. Le Pelley: Do you have to read all that?

Dr. Kuria: Mr. Pattni, maybe, you can summarise the contents of this letter.

Mr. Pattni: My Lords, basically, the letter is explaining that the shares in UHDL have no value. The last paragraph says: "You will note that this balance sheet indicates that UHDL interest to be negative to the extent of Kshs168 million, purely demonstrating that the shares in UHDL have no value as at the balance sheet." So, it is basically explaining--- At page 128, project costs, the second last paragraph, last two lines; "to illustrate the increased negative share value, we have shown the adjustment from cost market value in appendix II." So, again, it was negative share value. Then, it goes on to explain about capital restructuring and options available to shareholders.

Dr. Kuria: Maybe you could read paragraph four, "options available."

Mr. Pattni: Which paragraph?

Dr. Kuria: The concluding paragraph under the subheading "options available to shareholders."

Mr. Pattni: Yes, paragraph four, options available to shareholders, reads:-

"We suggest that there are essentially two options available to current shareholders. Withdraw from the project; cede control to new investors by transferring their shares under an accord reached with the existing lenders. As an interim measure, it would make sense for the current shareholders to execute blank cheques pending the identification of suitable investors."

My Lords, there was such a mess that even Mr. Cunningham and I think, Governor Kotut were discussing.

"To make a fresh injection of the required cash equity over the course of the next six months. This would have the effect of re-financing the project sufficiently to see the hotel completed and operational by December, 1992. I trust the above is clear, but please, do not hesitate to conduct me should you have any further queries."

[Mr. Pattni]

That was Peat Marwick. Then, there was this draft balance sheet on UHDL which is mentioned there as Le Meridien Hotel. They have also attached a detailed analysis of the shareholders interests at page 131 and it was all negative, my Lords. So, basically, what happened is that this was Mr. Taher was signing. So, in November, Mr. Taher briefed me that Pan African Bank Group was not viable as the bank had a huge overdraft with Central Bank of Kenya of over Kshs4 billion and furthermore, anyone who buys the bank will have to inject fresh liquidity of Kshs2 billion due to depositors money and fresh capital. So, basically, it was not only UHDL that had a negative share value, but also Pan African Bank was having a big hole where money had been siphoned out. So, when I met Mr. Kotut sometime in November, I told him that Pan African Bank was not a viable project. Mr. Kotut said he was ready to write off the overdraft of Pan African Bank to Central Bank and that I should try and get overseas investors. He said, "Why do you not even try now from overseas if you cannot manage it. You can get an investor to take over the bank and its group of companies." He told me the hotel would be very ideal for my trade in gold and diamonds in future. I had explained to him earlier on Gemstone Centre and all that. So, he said that hotel would ideal for this business which I had better plans ahead, in gold and diamonds. I had told him I wanted to make Kenya into an international gems centre and hold monthly auctions of diamond loads and gemstone loads so that buyers from all over the world could come to Kenya for this auction. It is just like tea or coffee auction and in some countries, flowers auction.

So, in South Africa, we also have open diamond auctions. So, Mr. Kotut said the monthly auctions could take place at the hotel once it is completed so that international buyers would come to Kenya and stay at the hotel instead of having it in Antwerp or Tel Aviv or Geneva; where most buyers go. The hotel was planned to be a five-star delux. So, this would be a good investment for this trade. But I told Mr. Kotut that even the shares of the hotel company, UHDL, were in the negative as Mr. Taher had discovered and as per the KPMG Peat Marwick report which I had showed him and which clearly stated that there is nothing in this group of companies that one can put money in. But of course, if it was a healthy company or a gold mine, there would have been many buyers. Nobody would be coming behind me to ask for help to buy it. So, what was the reason behind it? But Mr. Kotut insisted I must help and he was ready to give full assistance from Central Bank of Kenya's side to make Pan African Bank viable. Mr. Kotut said even *Mzee* and Mr. Kiptanui, the then State House Comptroller, had already assured the Aslam family of buying the bank and the group soon after the elections were over. So, basically, I think the problem during the election time, there seemed to be some kind of pressure. So, certain assurances were given from what I could grasp of what Mr. Kotut was saying. So, I said, okay, let me work out if it can be viable or if the over Kshs4 billion owing to Central Bank of Kenya is written off. It was now for me to go back to Mr. Taher to work out if it would be viable. So, after a week, Mr. Abraham Kiptanui, the then Comptroller of State House came to see me one evening at my View Park Towers offices and discussed with me regarding the same purchase of Pan African Bank and its group of companies. I also came to know Mr. Kiptanui through my close association with *Mzee* and Mr. Kulei and I often used to talk to Mr. Kiptanui at State House, Nairobi and other State Lodges, especially when *Mzee* on safari and I could not find him on hotline, if I needed urgently to talk to him or to know his whereabouts, Mr. Kiptanui was the person to talk to because he was the

[Mr. Pattni]

Comptroller of State House. Mr. Kiptanui also played an active role in the elections of December, 1992 and co-ordinated a lot of expenses. However, when Mr. Kiptanui told me of Pan African Bank, I briefed him on exactly what I had told Mr. Kotut that it is not viable but I was trying to work out how it could be made viable to operate the bank and its group of companies. Again, similar pressure seemed to be there and Mr. Kiptanui said, "No, I must help in this issue and the Central Bank of Kenya, through the Governor, Mr. Eric Kotut, will help in all ways possible to make this deal viable." So, the CBK wanted this thing to be happening but what we discovered was there was this overdraft from CBK to Pan African Bank and all the other things were only showing negative. So, it was not something one could just jump into. Mr. Kiptanui confided in me that the Aslam family had certain very sensitive information. He explained to me that Mr. Aslam had opened a foreign account for Mzee where some oil profits are going through Pan African Bank, Karachi and it would be disastrous if such information came out during this 1992 election period. So, Mr. Kiptanui said he had already committed to the Aslam family to buy the Pan African Bank plus other companies which included UHDL for an amount of US\$14 million. But I again showed Mr. Kiptanui that I had asked Mr. Taher to work out how to make Pan African Bank and its group of companies viable. So, it seems, even before we came to any agreement or paper work, verbal assurances or agreements and amounts were made. This was coming towards the end of 1992. So, I said I was trying, let me see; you cannot just--- Although the pressure was quite high. the next thing I heard on this issue is when I was with Mzee sometime in early February, 1993.

He gave me a copy of an agreement titled: "Articles of Agreement of Sale dated 25th January, 1993". The agreement was signed by Aslam family members and Mr. Abraham Kiptanui for Pansal Investments Ltd. It was in the presence of advocate, Mr. Mutula Kilonzo. *Mzee* told me that *maliza* this agreement *na Bw. Kotut na nunua hizo kampuni*. He told me that the best thing which was in that transaction was the Meridien Hotel, which at that time was not complete. He told me that he wanted me to complete that hotel. He told me that it would be the best in the region because no other hotel like that was coming up. I was a bit shocked to see the already executed agreement and signed by Mr. Kiptanui, and here *Mzee* was instructing me to finalise with Mr. Kotut. So, I told *Mzee* that the Pan African Bank Ltd. had a huge deficit and he told me that I should not worry because ways could be found to overcome that problem. He told me that he would talk to Mr. Kotut, who was the then Governor of the Central Bank of Kenya (CBK) and I should liaise with him. A person like me who was young could not argue at length with *Mzee*. I told him that, that was okay. The following day, I called Mr. Kotut on the hotline and told him of the agreement *Mzee* had given me and asked him what time we could meet. Mr. Kotut told me that we meet at State House, Nairobi in Mr. Kulei's office at 6.00 p.m.

Dr. Kuria: Turn to pages 106 to 113. There is a very big statement.

Mr. Pattni: My Lords, this agreement was drawn in January. There is another memo which was done in March.

Dr. Kuria: All right. What about page 115?

Mr. Pattni: My Lords, on this page, we have Articles of Agreement of Sale;

- (a) Razfar Holdings Ltd., which is referred to as Razfar.
- (b) Plaza Investments Ltd., which is Plaza.
- (c) Kenplaz Management Services Ltd.
- (d) Estate of Mohamed Aslam Deceased (Estate)
- (e) Trisis Holdings Ltd. (Trisis).

All care of Kilonzo and Co. Advocates, P.O. Box J9839, Nairobi.

2. PURCHASER:

Pansal Investments Ltd. and or its nominees, P.O. Box 59839, Nairobi. I think what the late Aslam's family were trying to sell here is property/estate, all the shares, rights, title and the interest belonging to

- (a) Razfar Holding Ltd. in the Pan African Bank Ltd. (hereinafter called "the bank",
- (b) Plaza Investment Ltd. in the said Bank,
- (c) Trisis Holdings Ltd. in Safariland Club Ltd. (hereinafter called "Naivasha". This is a hotel in Naivasha. It is a club hotel.
- (d) Kenplaz Management Service Ltd. in Uhuru Highway Development Ltd. (hereinafter called "the hotel",
- (e) the Estate of Mohamed Aslam, Deceased, in the Bank and in the Hotel.

4. Purchase Price - US \$14 million

Interesting to note are terms and conditions.

(a) The vendors will execute all necessary transfers and will partake all necessary actions, steps and legal requirements to effectively transfer the shares, title, rights and privilege in the bank, hotel in Naivasha to the purchaser and or his nominees.

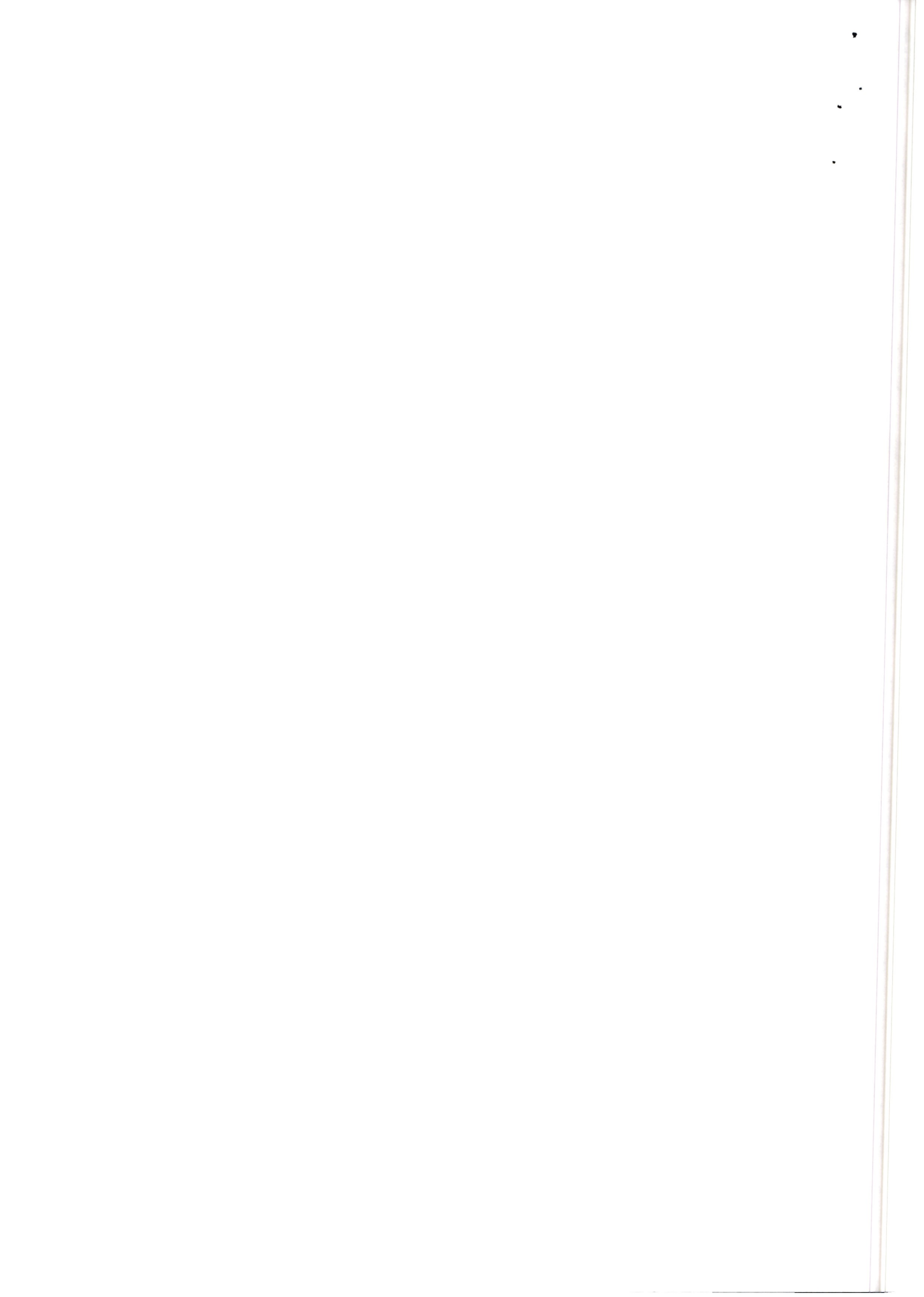
(b) The purchase will in addition, to the payment of the purchase price to the vendor take over all indebtedness of the vendors. The late Aslam family and or the Aslam group of companies shown in the first schedule of this agreement to the bank and will cause the bank to discharge any asset of such companies (accepting the hotel and Naivasha) charged to it at no cost, to the vendors or such companies. By this time, the hotel had gone to Kshs4.8 billion, apart of the CBK audio Kshs4.5 billion, give and take other holdings of these people.

(c) The purchaser will take over the indebtedness of the hotel and Naivasha to the bank.

- (d) For the avoidance of doubt the shares, right and interest hereby sold include:-
- (i) Pan African Credit Finance Ltd.
 - (ii) All the rights and interests, shareholding or otherwise, of the vendors in the bank, Hotel and Naivasha.
 - (iii) Karachi which was the only profit making branch of the bank
- (e) For the avoidance of doubt, the shares, right, title and interest hereby sold,

Do not include:-

- (i) Pan African Building Society,
- (ii) Corporate Insurance Ltd., all of which will remain the property/assets of the late



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Aslam family or the Aslam family group of companies.

(f) Purchaser hereby agrees that the shares of Pan African Credit and Finance Ltd. in Corporate Insurance Ltd. will be sold to Aslam family or some family group of companies at the price already stated by the said insurance company or its Board of shareholders as the case may be. Again, they had agreed on certain other--- This means that the shares were being sold and the cream was being removed.

(g) The purchaser hereby agrees that the shares of Pan African Credit and Finance Ltd. in Pan African Building Society will be sold to the Building Society's shareholders. The most interesting part is "h".

(h) The purchaser hereby agrees and undertakes to and will ensure that the CBK issues to the late Aslam family a licence to operate a new bank in Kenya. The purchaser has to be somebody with an authority over the CBK. It was only the Minister for Finance, the Treasury and the CBK which could issue a new banking licence in Kenya. But the agreement says that Pansal will issue it through the CBK. What I am trying to show here is that the backing of this or involvement of certain people.

Mode of payment and completion

(a) The purchase price shall be paid in US Dollars at a place of the choice of the vendor.

(B) The completion date shall be 9th February, 1993.

(c) On the completion date, the purchaser shall pay to the vendor the purchase price and in exchange thereof, the vendor will give to Kilonzo and Company Advocates on their professional understanding to hold in trust the following.

Mr. Kitonga: He does not need to read the whole agreement. Just show him the salient parts you want him to refer to.

Dr. Kuria: He is making some comments.

Mr. Kitonga: I am saying that he does not need to read the whole agreement. Just guide him to the salient parts you want him to refer to.

Dr. Kuria: Then we can go to page 120.

Mr. Pattni: Yes, my Lords. At page 118, part "d" is again important. It says:-

"Upon receipt of the bank licence in five "h", again the bank licence was a condition to this agreement and discharges by the bank referred to in Article No.5(B) herein, M/s Kilonzo and Company Advocates will be deemed discharge of their professional undertaking and will release the document referred to in Article No.6(C) (I) to IV) to the purchaser."

So, without the CBK licence, even if the money was paid, no discharge would take place. So, here was an agreement which said that take a dead bank with huge deficit and give us a new banking licence. That was a messed up bank, a torn piece of cloth; give us a new cloth. At page 119, First Schedule, it says that the purchaser will take the indebtedness of which companies. You can see:-

[Mr. Pattni]

- (a) The Aslam residence in Lavington
- (b) Plaza Investment Ltd.
- (c) Plaza Industries Ltd.
- (d) Plaza Mining Industries Ltd.
- (e) Thermite Skyline Ltd.
- (f) Allied Oil Services Ltd.
- (g) Safariland Club
- (h) Active Traders Ltd.
- (i) Skyline Development
- (j) Mohammed Aslam, deceased

(k) Again, this part shows exactly what I am saying. I do not speak here for the sake of it. This part Hedam, if proven as family debt. "Hedam" was synonymous with His Excellency, Daniel arap Moi. There are some annexures to that effect. So, there was another account and the date.

- (l) H. Dagama Rose - if proven as family debt
- (m) Uhuru Highway Development
- (n) Sir Ali Sports Club
- (o) Muslim Girls

Page 120 says:-

"In witness whereof the parties have placed hands this 25th day of January, 1993."

So, it is signed for and on behalf of Razfar Holding Ltd. in the presence of Mr. Kilonzo; signed for and on behalf of Plaza Investment Ltd. in the presence of advocate; signed for and on behalf of Kenplaz Management Service Ltd. in presence of Kilonzo Advocate; signed for the administrators of the statement of Mohammed Aslam, deceased in the presence of Mutula Kilonzo Advocate; signed for and on behalf of Trisis Holdings Ltd. in the presence of Mutula Kilonzo advocate; signed for and on behalf of Pansal Investments Ltd. in presence of Mutula Kilonzo advocate by Abraham Kiptanui, who was still the Comptroller of State House at that time.

Mr. Pattni: So, my Lords, on that day I went to Mr. Kulei's office at State House, Nairobi, at 6.00 p.m. and found Messrs Kulei, Kotut and Kiptanui waiting for me. After greeting all of them we went to Mr. Kulei's boardroom, which was on the opposite side of the entrance to his secretary's office. In the boardroom, Mr. Kiptanui told me that the agreement dated 25.1.93 had been signed in London with the Aslam family, and that he and Mr. Mutula Kilonzo had to meet the Aslam family as the family was going to instruct United Kingdom lawyers to take action and was also about to hold a Press conference in Paris to disclose damaging information on the former President Moi. They said that they had to rush to London to sign this agreement. I asked whose company was Pansal Investments Limited (PIL) was, and who were its directors and shareholders. I said that once the agreement existed and I was to help, I had to know who were behind the PIL. To my disbelief, Mr. Kiptanui told me that there was no registered company known as PIL, and that it was just a name. He said that he and Mr. Mutula Kilonzo just picked on a name

[Mr. Pattni]

so as to enter an agreement dated 25.1.93 with the Aslam family. Mr. Kiptanui explained that the word "pansal" was coined out of the objective to salvage the Pan African Bank Group of companies.

Mr. Kulei said that *Mzee* wanted me to fulfil the agreement, and Mr. Kotut said that the first thing was for me to register a company in Kenya in the name "PIL". It was as if the baby was named before it was born. I then told the trio that before anything was done by our group of companies the CBK had to give an undertaking to write off the Pan African Bank Limited (PABL) overdraft with the CBK of approximately Kshs4.5 billion. Secondly, I told the trio that even if I registered PIL, it would have no authority to issue a banking licence. Mr. Kotut asked me not to worry because they would do the needful. He said that they had the full backing of *Mzee* on the matter, and that with *Mzee* nothing was difficult. Mr. Kulei said that we would meet the next day to streamline everything.

It was a difficult situation, and I knew it was full of thorns and fire. Mr. Kotut asked me to get a strong and professional managing director for the Pan African Bank Group and then let Mr. Taher handle the issue of the group with Mr. Kotut. Mr. Kotut seemed to be interested in Mr. Taher's style of doing things. Mr. Taher had worked in London and Dubai. He was an international banker. Mr. Kotut assured everyone that the Kshs4.5 billion overdraft would be taken care of by first freezing it in Account No. 2, and then slowly writing it off. We then parted and the following day I gave the PABL agreement to Mr. Taher and told him to handle the formation of the PIL and to liaise with Messrs Kotut and Kiptanui in doing so. Thereafter various letters started coming in from the lawyer of the Aslam family, who was Mr. Mutula Kilonzo. The letters would be addressed to PIL, attention of Mr. Kulei.

Dr. Kuria: Please turn to page 112.

Mr. Pattni: My Lords, page 112 is a letter from Kilonzo & Company Advocates dated 13.2.93. It is addressed to the PIL, attention of Mr. J.C. Kulei. In January, 1993 Mr. Kiptanui handled the affairs of the PIL, but come February, 1993 Mr. Kulei was part of the company. The reference of the letter is "Pan African Bank Limited Group of Companies Agreement dated 25.1.93".

Mr. Bowry: My Lords, it should be noted that it is an unsigned copy, which is not addressed to a third party. It looks like a stolen document.

Mr. Wambua Kilonzo: My Lords, does my learned senior dispute the contents of this letter?

Mr. Bowry: My Lords, the point is that it is an unsigned document.

Dr. Khaminwa: But it is a letter!

Mr. Kitonga: Carry on.

Mr. Pattni: My Lords, the letter states:-

"This letter is written as a result of several discussions held in Nairobi after the signing of the above agreement. The letter will constitute an integral part of the said agreement for all purposes. It is written with full consent and knowledge of the vendors. We confirm that the purchase price in Article 4 of the agreement shall be Kshs504 million, equal to US\$14 million at the rate of Kshs36 prevailing on 8.2.93. If at the date of completion the rate will have changed upwards, the purchase price will be adjusted upwards accordingly."

The following was to Mr. Kulei.

"We confirm that the said purchase price shall be deposited forthwith in a joint account of ourselves and your advocate in the Standard Chartered Bank, Harambee Avenue Branch, Nairobi, pending completion of the transaction. All interest accrued shall vest in the purchaser. We hereby give you our professional undertaking to deliver to you and your advocate on the completion date duly executed share transfer forms and all requisites upon completion, and shall deliver share certificates pertaining to all the shares in the agreement, together with one share held by S. Aslam in Surveillance Club Limited."

Mr. Kitonga: How did you obtain this letter?

Mr. Pattni: It was given by Mr. Kulei to Mr. Taher, who was handling this matter. It is part of the whole transaction which took place from 25.1.95.

Mr. Chairman: It should have a signature.

Mr. Pattni: My Lords, it could have a signature. It is in the bundle.

Mr. Kitonga: Do you mean the signed copy?

Mr. Pattni: My Lords, this was an exchange transaction taking place.

Mr. Chairman: Since the letter is addressed to Mr. Kulei and Mr. Kulei is the one who gave it to Mr. Taher, then it could have a signature. If it came from Kilonzo's office, it should have a signature. Mr. Kilonzo is the purported author of the letter, and it should have his stamp or initials. He is not objecting to it, but Mr. Kulei's copy could be having a signature because he is the addressee of the letter.

Dr. Kuria: My Lords, this witness is explaining how he became the purchaser of PIL.

Mr. Pattni: My Lords, I am just pointing out relevant correspondence.

Mr. Chairman: The issue raised by Mr. Kitonga is whether this is an authentic document. It could be authentic or not. Since Mr. Kulei is the addressee he could be having the original, which must have the author's signature, unless it was sent to him without a signature.

Mr. Pattni: My Lords, as we go along you will see Mr. Taher taking over from Messrs Kulei, Kiptanui and Kotut.

Mr. Chairman: Dr. Kuria, do you understand what our issue is?

Dr. Kuria: My Lords, I understand your concern.

Mr. Chairman: Look for the original document.

Dr. Kuria: My Lords, we shall see if there is a signed copy.

Mr. Bowry: My Lords, there is another angle to the whole matter. This is the issue of procurement of documents by any party. A letter addressed to me could surface in somebody's handbag in Kariokor! This letter has just surfaced and somebody else is being mentioned. A party producing a document has to lay the foundation for its production. Here we have a predicament in that all the documents, be they originals or photocopies, are produced first as exhibits and then we are given copies later when we have no right to object to their production. The credibility of the party producing a document - there are many documents which will surface in these circumstances - raises a very important point.

Mr. Chairman: The issue here is not admissibility. As a Commission, we can admit anything provided it is relevant. However, we are entitled to inquire on the authenticity and that is the only issue we are dealing with at the moment. Whether or not the letter will be used in our report depends on whether, as you say, basis has been laid for it.

Dr. Kuria: My Lords, I observe that Mr. Mutula Kilonzo, who is alleged to have written it has not raised any objection.

Mr. Chairman: It is not really the basis.

Mr. Mutula Kilonzo: My Lords, that is extremely provocative.

Mr. Chairman: You are on provocation!

Mr. Mutula Kilonzo: Exactly. I do not mean to provoke. Thank you.

Mr. Chairman: At least, that is what I understood.

Mr. Mutula Kilonzo: That is correct, my Lords.

Mr. Chairman: So, you understand our anxiety that, eventually, you will have to lay a basis as to how this letter came about?

Mr. Pattni: Yes, my Lords. As we continue, we make a professional undertaking to give you our dockets on the completion of---

Dr. Kuria: Mr. Pattni, I think we can go to the other parts of your statement and leave that one for the time being.

Mr. Chairman: What I understand Mr. Pattni to be doing is to lay a foundation as to how he came to be involved in Pansal. The details are not really important for us. That is the foundation of how he came to be involved in Pansal. We are not really so much concerned with that. We are concerned with what eventually transpired.

Dr. Kuria: But my Lords, we find billions of shillings from Goldenberg to the Pan-African Bank. Mr. Pattni is now trying to show how that came about.

Mr. Chairman: No! The details of the correspondence and what have you, do not really concern us. What concerns us is how everything eventually ended: "Yes, I was either duped, pressurised, hoodwinked or whatever it is, to do ABCD". That is all we are interested to know. We are not interested to know the details of how he was hoodwinked or pressurised, because it is not part of our mandate. That is really the crux of the matter in proceedings elsewhere. You understand?

Mr. Pattni: My Lords, but unless you do not need evidence?

Mr. Chairman: Of what?

Mr. Pattni: That I am saying the truth that I was hoodwinked or pressurised. My word will be taken as gospel truth if I say that they hoodwinked me?

Mr. Chairman: No. What we are interested in is to know how Goldenberg money ended up in certain places. That is all we are interested in. The other relationships are of no interest to us. They will be of interest to you and others in proceedings pending before court. You understand?

Mr. Pattni: Yes, my Lords.

Mr. Chairman: You will want to prove that you were hoodwinked, deceived, tricked or pressurised. That is not really for us. All we want to know is just a glimpse of how you came into the picture.

Mr. Pattni: My Lords, I can go by that as long as you do not make your findings against me.

Mr. Chairman: I am not interested in the details of the story.

Dr. Khaminwa: My Lords, may I say something with tremendous respect. I think your Lordships will have to know this story as you, Mr. Pattni, is telling it. It appears that here is a case as it were, where nobody cares about the law. Things are being done, if I may use a Kiswahili word, *Kienyeji* way, in order to achieve a certain objective. Your Lordships will have to listen to all these details; they are relevant.

Mr. Chairman: That is where curiosity comes in. When you are too curious, you will want to hear as much as possible, but when you have an assignment, curiosity has to be divorced at some point, so that you deal with the real issues. A human being could be curious about this and that, and would like to know the full story. That is human. However, we have

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terms of reference which restrict us, and time at our disposal is not elastic. So, you have to find a convenient point of stopping and saying: "Curiosity or no curiosity, up to this point we have to stop and go straight". That is all I am saying.

Dr. Khaminwa: My Lords, it is interesting that Pansal, as company, according to what he is saying, was involved in transactions and it was not an incorporated company. It was not a registered company.

Mr. Chairman: The simple way of putting it is: "I was made to deal with a company which was not in existence". End there and continue.

Mr. Wambua Kilonzo: Your Lordship is quite right about laying a limit as to what ought to be admitted or not. But there is a very short point, which I think goes to relevancy. I do not wish to go into the law as such, but if you would look at Section 7 of the Evidence Act, this section introduces the doctrine of "let and tie". Any matter which is in issue like where the Goldenberg money went, any other matter which is the cause effect, immediate or otherwise, of that relevant factor, or which constitutes the state of things under which they happened, or which affords an opportunity for their occurrence or transaction, are relevant. To that extent, these letters that the witness is producing and showing the state of mind and what was occurring before he put in US\$14 million, in my humble submission, I think that is what Dr. Khaminwa was saying. These are very relevant matters which if left out, one will not be able to understand what the witness is not talking about.

Mr. Chairman: Fortunately, we are not dealing with the relationship between Pansal and Pan African Bank. That is not what we are dealing with. We are following certain money; where it went. The moment we show that it went through this door, that is all.

Mr. Wambua Kilonzo: But how did it go?

Mr. Chairman: Whether the road it followed was bumpy or smooth, that is none of our business. All Mr. Pattni is trying to show is: "Money went this way". He is trying to say how he came to accept to release money to go that way. The how is not important for us. But the fact that money went is important for us. That is what I am saying. Why should I hear a story which is going to take me two to three weeks, when I can get a short statement that states: "Yes, I was misled, cheated, tricked and I released this money". The details of the trick are relevant in the law courts and not here, because it is a relevant factor in determining the legal rights of this particular person, *vis-a-vis* whoever he has sued or whoever has sued him.

Mr. Wambua Kilonzo: My Lords, I am appropriately guided. The only point, perhaps to make it clear, is: Your Lordships, the witness has asked you whether you will take his word that he was duped. It is relevant to know how somebody passed with US\$14 million like that. You have the task of tracing where that US\$14 million went to. I think it is also relevant for your Lordships to know whether the witness is credible to say that he parted with that US\$14 million. For your Lordships to know his credibility, you will have to know how it ended up that he parted with that US\$14 million. In my submission, those are **[Mr.**

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relevant issues. They may take a little longer time. Perhaps we could go over it, but in my submission, that is a very fundamental and relevant point.

Mr. Chairman: In your mind, where do you draw a line between what we are doing here and what the law courts will be doing?

Mr. Wambua Kilonzo: My Lords, what you are doing is quite broader than what the law courts can do.

Mr. Chairman: Then where do we draw a line, so that we are not caught up by or with the rule of *sub judice*?

Mr. Wambua Kilonzo: My Lords, your terms of reference are quite broad and the nature of your inquiry is quite broader than what could be done in the law courts. I understand that there is the question of *sub judice*, which you should not go into, but to the extent that you have terms of reference, I think you have enough discretion to make and inquire without prejudicing anything that is elsewhere.

Mr. Chairman: So, we are exercising our discretion and saying: "To this extent, we can go. Beyond here, we think we are breaching the *sub judice* rule". That is the direction I am giving. I will not want to be accused of over-stepping, when I can see the path clearly.

Mr. Wambua Kilonzo: I am most obliged, my Lords.

Mr. Pattni: My Lords, I will not be long now. It is coming to an end. I appreciate the fact that---

Mr. Chairman: Mr. Pattni, I am saying that you can say as much as you have said; that: "Okay, So-and-So made me believe that this company was in existence, but it was not. Eventually I learnt that it was not, but nonetheless, I was told to deal with such-and-such a company".

Mr. Pattni: But it will help us when writing the statement. At least, it will be faster the way you are saying. As long as I am not mistaken that I am just speaking out of the blues.

Mr. Chairman: If you understand our limitations, it will be fine.

Mr. Pattni: I agree, my Lords.

Mr. Chairman: If you understand our legal limitations, it will be fine.

Mr. Pattni: My Lords, I see now. Basically, I was just explaining.

Mr. Chairman: You understand, Mr. Pattni?

Mr. Pattni: My Lords, my whole story in short, if I do not go into the details, is that I was duped. If I go to the Bible, Mathew Chapter 7, Verses 24 to 26, I built my house on sand and not on rock. So, when the rains came, the house fell and how terrible the fall was. The whole fall came on my head.

Mr. Chairman: You know, I will not want to be misunderstood. I want to make a short statement of what you have left, which you can say at the law court. Of what you have told us, what have you left out? Nothing? That is the point I am making. We are not going to deal with all that. You have put your whole case before us in that particular matter. That is my anxiety. If you have put it here, what has been left for the law courts? You are actually making up your case, which is supposed to be made elsewhere.

Mr. Pattni: Agreed.

Mr. Chairman: All I want is for you to say as much as to make us understand how you came to give the money. That is perfectly correct, but the details of clause such and such was to say this. This and this particular provision was to be included and that is (??). No.

Mr. Pattni: I agree, my Lords.

Mr. Chairman: It is sufficient to say: "Yes, I was meant to sign this agreement on this understanding".

Mr. Pattni: It is the fear.

Mr. Chairman: We will have got the full story. He talked about gesture, but investigator is a much broader principle and it does not become relevant here. Otherwise, if it were to be and all the details of the evidence were to be, there is so much we would have excluded. But we apply certain things to the extent that they permit us to make a full inquiry. Thank you. Proceed.

Dr. Kuria: Mr. Pattni, kindly turn to page 100, where you had stopped reading.

Mr. Pattni: Page 100?

Dr. Kuria: You were reading the second paragraph.

Mr. Pattni: My Lords, the next two letters to Pansal were care of Mr. Taher dated 24th February, 1993. They are two letters which were addressed to Taher and these are at page 104. Basically now Taher had taken over and the letters are indicating the terms. There was a new agreement to be done again. So, I will point out again page 105 No.5.

Mr. Chairman: Mr. Pattni, eventually you agreed and bought those companies?

Mr. Pattni: Eventually, yes, my Lords. But we had to get also the help of Mr. Akrami who was from the Middle East. We also had to get some funding arranged.

Mr. Chairman: How much did you pay?

Mr. Pattni: My Lords, we paid nearly US\$7.9 billion.

Mr. Chairman: You paid to who?

Mr. Pattni: My Lords, US\$14 million was paid to the Aslam family and about Kshs6.3 billion went into the Pan African Bank to cover the overdraft. The overdraft was US\$4.5 billion.

Mr. Chairman: Who in particular did you pay for Pan African Bank?

Mr. Pattni: We paid the CBK.

Dr. Kuria: My Lords, I intended to take the witness through the details that were found in Mrs. Wambete's report.

Mr. Chairman: Let me get this story completed in my mind before you go to the details. You said Kshs6.3 billion went to Pan African Bank, but the money was paid to the CBK?

Mr. Pattni: Out of Kshs6.3 billion, US\$4.5 billion went to the CBK.

Mr. Chairman: US\$4,5 billion was paid to the CBK to offset the existing overdraft?

Mr. Pattni: Yes, my Lords. US\$1.8 billion was equity and depositors payment in Pan African Bank.

Mr. Chairman: So, US1.8 billion is for equity?

Mr. Pattni: It was equity and to take care of depositors. When you open the door, the depositors will come to collect their deposits.

Mr. Chairman: The total now works out to Kshs6.3 billion?

Mr. Pattni: Yes, plus US\$14 million dollars to Aslam family.

Mr. Chairman: What about the one paid to the CBK or to the Pan African Bank.

Mr. Pattni: That was Kshs6.3 billion. For the Grand Regency Hotel it was another US\$14 million to---

Mr. Chairman: Let me get this clear. You paid US\$14 million to Aslam family to cover what?

Mr. Pattni: To cover the shares of Uhuru Highway Development and Safariland Naivasha.

Mr. Chairman: And the Kshs6.3 billion?

Mr. Pattni: That went to Pan African Bank.

Mr. Chairman: Any other money you paid?

Mr. Pattni: Yes, my Lords. We paid the lawyer, Mutula Kilonzo's fees.

Mr. Chairman: How much?

Mr. Pattni: It was US\$33 million. We then paid for construction of the hotel.

Mr. Chairman: That was not part of the price, was it?

Mr. Pattni: No, my Lords.

Mr. Chairman: That was your own expenditure?

Mr. Pattni: Yes, my Lords.

Mr. Chairman: It is not a payment for the purchase of the companies?

Mr. Pattni: No, my Lords. It was after we took over.

Mr. Chairman: Let me get this clear in my mind. Which are these companies you bought with this money?

Mr. Pattni: They are Pan African Bank, Uhuru Highway Development Limited, Safariland Club.

Mr. Chairman: All these are the ones which cost you US\$14 million plus Kshs6.3 billion and the legal fees?

Mr. Pattni: Yes, my Lords. Chris Kirubi and a few other shareholders were also bought out. It was maybe about Kshs468 million.

Mr. Chairman: That you paid to individual shareholders?

Mr. Pattni: We put it in Pan African Bank. Pan African was snatched away from us within 60 days. Once we put in all this money and it was shining and clean, the short of all is that the Governor of CBK, Mr. Kotut played a first one on me. He had made a mess of that bank. There is a report from Kimundi of the CID which you can refer to. It states that it is Kotut who siphoned out Kshs4.5 billion. No person in his right mind would give Kshs4.5 billion to a bank which is under statutory management. This happened before elections. He gave out Kshs4.5 billion to Pan African and then he and Cunningham siphoned it out of Pan African through Barclays Bank. If my Lords can go into that, you will see how the money was siphoned out under the pretext that he was ordering things for Uhuru Highway.

Mr. Chairman: That is construction is it not?

Mr. Pattni: Yes, my Lords. But the report says that nothing came.

Mr. Chairman: Personally I am interested in what you paid to get what you eventually lost. You are telling me how you lost it?

Mr. Pattni: Yes, my Lords.

Mr. Chairman: I do not want to hear that for the time being. I want to know how much you paid.

Mr. Pattni: I paid Kshs7.9 billion.

Mr. Chairman: Which is comprising of Kshs6.3 billion paid to Pan African Bank and US\$14 million paid to the Aslam family.

Mr. Pattni: The US\$14 million is different.

Mr. Chairman: What is it for?

Mr. Pattni: That is for the shares of Uhuru Highway, Safariland and the Aslam family. What I lost in Pan African Bank is about Kshs7.3 billion.

Mr. Chairman: That is what you lost because you had paid some shareholders?

Mr. Pattni: Yes, my Lords.

Mr. Chairman: But I am talking about the price you paid to get Pan African Bank, Uhuru Highway Development and Safariland Club.

Mr. Pattni: That is Kshs6.3 billion and US\$14 million.

Mr. Chairman: So, we are in agreement?

Mr. Pattni: Yes, my Lords.

Mr. Chairman: With that we have a short break.

(The Commission adjourned briefly at 11.25 a.m.)

(The Commission reconvened at 12.00 p.m.)

Mr. Kitonga: We remind you of your oath, Mr. Pattni.

Mr. Pattni: Yes, my Lords.

Dr. Kuria: Mr. Pattni, when we adjourned you had reached paragraph 2 of page 100.

Mr. Pattni: Yes, my Lords. My Lords, The next day after I met with Messrs. Kotut, Kulei and Kiptanui, Mr. Kulei and I met *Mzee* at his Nairobi House and Mr. Kulei briefed *Mzee*

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on the whole Pansal and Pan African issue. *Mzee* told me to help as he did not want any *porojos* from this Aslam family since the Pan African group was good with the Karachi Bank and the Meridian Hotel which would be the best in the whole of East and Central Africa. *Mzee* mentioned that the only hotels like that would be in South Africa only. *Mzee* assured me not to worry about the Kshs4.5 billion overdraft and that Mr. Kotut would take care of it. He said that all I had to do was to have US\$14 million purchase --- by Kiptanui. *Mzee* said: "*Wewe endelea na uamini mimi*" and with that we left. I was completely assured that although this project would consume billions, Mr. Kotut would sort out the audit.

When we left *Mzee's* house Mr. Kulei and I drove in my car---

Mr. Bowry: My Lords, the next paragraph relates to a matter which does not fall within the province of this Commission. We are not investigating the National Oil Corporation and I pray that the Commissioners will advise accordingly and his testimony be excluded on the ground of irrelevancy.

Dr. Kuria: With respect that is not correct. Your Lordships will recall Exhibit No.114, the statement of Mr. Mumelo which refers to the contribution to overdraft in the Pan African Bank by the purchase of National Oil Corporation so that this follows the rest of the evidence which has been given.

Mr. Kitonga: We allow it. You may proceed.

Mr. Pattni: My Lords, we had gone in one car. So, when we left *Mzee's* house Mr. Kulei and I drove in my car as we had come and I took him to his residence which was within State House, Nairobi. Then we sat alone and Mr. Kulei told me in confidence what would be benefit for this thing. He told me that Aslam used to handle the whole of National Oil Corporation accounts at Pan African Bank. () business and the NOC at that time was a monopoly and very lucrative. Huge dollar profits were made abroad. Aslam shared with *Mzee* and Mr. Kiptanui in overseas accounts. He indicated that once my group takes over, Mr. Kulei would handle the NOC and so would *Mzee*. He said that all investments done in Pan African Bank Limited would be recovered very fast only through the NOC business, even if it was only one business because the NOC had a State monopoly. More letters were exchanged and I annex a letter from Exchange Bank Limited to Kilonzo and Company Advocates, dated 25th February, 1993, and a memorandum dated 3rd March, 1993 and another letter dated 24th February, 1993, from Mr. Mutula Kilonzo to Mr. Eric Kotut.

Dr. Kuria: Please, look at page 121.

Mr. Pattni: Yes, my Lords. So, basically what happened is that there was a signed letter from Kilonzo and Co. Advocates. It is dated 24th February, 1993. It is inscribed on the top: "Strictly Private and Confidential, the Governor, Central Bank of Kenya (CBK). Attention: Mr. Eric Kotut."

[Mr. Pattni]

Dear, Sir,

**REF: Application for banking and building society licence - Note:
North-West Bank International Limited, Aslam Family."**

Mr. Kotut, in his evidence, had said he did not know about Pan African Bank or Pansal. It says here very clearly that, "we got the letter". On 24th February, 1993, Mr. Taher received his copy. Mr. Kotut also received his copy. So, Mr. Kotut was liaising with Mr. Taher occasionally. This is basically to show that Mr. Kotut was very much aware of the birth of this issue. It says:-

"May I take this opportunity to thank you most sincerely for the assistance and advice that you have availed to me during the course of the last nine months."

Nine months from February, 1993, Mr. Kotut was aware of this matter. In fact, he was aware since May, 1992 when he was trying to dump this issue on somebody. The letter continues to say:-

"In which I have been involved in the affairs of the Aslam family, with particular reference to Pan African Bank Limited and the hotel project. As a result of such help and assistance (from Kotut), I am happy to inform you that M/s Pansal Investments Limited have now entered into a final agreement for the purchase of the bank group and hotels, excluding Corporate Insurance Company Limited. As you are probably aware, the terms of the agreement include a provision that the Aslam family will be given a licence to operate and a new bank, as well as a building society. We accordingly request that you arrange for a bank licence."

My Lords, this is just to show that - although I will be covering this issue in detail when I handle my bank licence it was a month earlier or later as indicate in this letter. It says:-

"We accordingly request that you arrange for a bank licence in the name of North-West Bank International Limited and the building society licence in the name of North-West Building Society."

My Lords, what I am trying to show is that during those times, this is how licences were issued. In other words, if you had the right influence, you could obtain a licence. The letter continues to say:

"Unfortunately, time is not on our side, bearing in mind that completion is scheduled for 15th March, 1993."

My Lords, this was on 24th February. This was just 17 days before completion and within 17 days a licence was supposed to be on the table for a bank and a building society. The letter continues to say:-

[Mr. Pattni]

"Accordingly, please, avail to me at an early opportunity any requisite application forms that are required and such conditions as you would like to be met to facilitate the issuance of such licence before 15th March, 1993. It is a pre-condition of the agreement for sale that such licence be available at the time of completion on 15th March, 1993. May I take this opportunity to attach herewith a copy of the agreement for sale dated 25th January, 1993, and our letter to the purchaser of 23rd February, 1993, both of which constitute final terms of agreement and are self-explanatory."

My Lords, so Mr. Kotut had these things. It is not that he did not have them. The letter says:

"These are for your records and ease of reference. The purchaser will be seeking your necessary approval for the terms of the shares in Pan African Bank Limited and Pan African Credit and Finance Limited as well as the building society as necessary. If you require any input from us in this regard, do not hesitate to let me know. Once again, please, accept my appreciation for your courtesy and assistance throughout the period."

My Lords, so the whole deal was worked out by Mr. Kotut. It continues to say:

"I appreciate that there was a time when, perhaps you felt that I had misapplied or misinterpreted information that you had made available to me. Please, note that there was never at any time, any intention on my part to do any such thing, and if any such impression was created, do accept my apologies."

So, certain things were misapplied. This means the shares of HEDAM, the *Mzee*. It continues:

"The matter has been most complicated throughout and it is quite possible that emotions at one time or other were raised."

So, even in this deal, emotions were raised high. It says:

"Please, note that I always held you in the highest esteem and nothing in the last nine months has changed in my mind as to the effect that you deserve such esteem even more."

The letter is signed by Mr. Mutula Kilonzo, and copied to M/s Pansal Investments Limited, care of Mr. Taher.

The further agreement that was done before M/s Pansal Investments Limited was as indicated at page 106. It was called Memorandum of Supplement. It was signed on 25th January, 1993. It sets out the same terms, though there are a bit of variations. The price is still Kshs14 million, changed into dollars. It explains how the money would be paid. The

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only thing there I would like you to note is on page 110, paragraph 6, (iiix). This clearly shows that this was a messed up by the CBK and Mr. Kotut who took all the money prior to elections. Paragraph 8 says:

"All documents pertaining to His Excellency Daniel Arap Moi (HEDAM), including share certificates, transfer of shares or any document of whatsoever nature; including organisations such as the National Oil Corporation (NOC), foreign accounts, among others."

So, it is my testimony that I had been duped, and when things came out, I was paraded like a scapegoat to be tossed in the eyes of the public. This is the major part of the billions of money. It is proved in that agreement "A" of September, 1994, which Mr. Cheserem signed. It will be my testimony. The CBK gave me a refund; a credit of Kshs6.3 billion because I put my case to them. At that time, I was going to appear before the Public Accounts Committee (PAC). This was after I was incarcerated at Kamiti Maximum Prison in June, 1994. After three months of remand, when I came out, I was invited by the PAC, and Mr. Cheserem did not want me to appear there. He thought that I am too sweet talking and he said that I would confuse them. However, justice demands that a devil or an angel be heard equally. So, it is, and will be, part of my testimony that the M/s Pansal Investments Limited and Pan African Bank issues made me differ with Mr. Cheserem. Mr. Cheserem came to my office at View Park Towers in 1993, when he took over the office. He was very impressed with my gold operations. My Lords, after your new direction, my work will be much easier because my statement will be much shorter. As you said, this is only an inquiry and there is a court ahead. If I take your advice, I will go according to it.

So, basically, the case of M/s Pansal Investments Limited is not what I am saying, but it is all documented information.

Mr. Chairman: Mr. Pattni, just a moment. How much credit were you given by Mr. Cheserem?

Mr. Pattni: My Lords, Mr. Cheserem gave me a credit of Kshs6.3 billion. Kshs4.5 billion was the overdraft, which Mr. Kotut had created in Pan African Bank Limited, and which he used me to pump it to that bank, after which he sent it to the CBK. So, as regards this chapter, Mr. Kotut was to be charged criminally upon the International Monetary Fund (IMF) condition. They had said that the Governor should be charged for allowing a theft of Kshs4.5 billion from Pan African Bank.

Mr. Chairman: So, let me get it clear; this Kshs6.3 billion is what you had paid to get Pan African Bank, Uhuru Highway Development and Safari Land Club?

Mr. Pattni: No, my Lords. I paid US\$14 million to buy shares of Uhuru Highway Development, Safari Land Club and the negative shares of Pan African Bank.

Mr. Chairman: Yes, and the Kshs6.3 billion?

Mr. Pattni: My Lords, this was the amount poured into Pan African Bank---

Mr. Chairman: That was Kshs4.5 billion, which was an overdraft?

Mr. Pattni: My Lords, that is Kshs1.8 billion.

Mr. Chairman: This is the money you got a refund on?

Mr. Pattni: My Lords, I got the refund.

Mr. Chairman: What about the credit?

Mr. Pattni: My Lords, not in my pocket, but on paper.

Mr. Chairman: That is the one over which you entered into an agreement with Mr. Cheserem?

Mr. Pattni: Yes, my Lords, on 29th September, 1994.

Mr. Chairman: So, you did not claim that one?

Mr. Pattni: No, my Lords.

Mr. Chairman: You are not claiming that?

Mr. Pattni: My Lords, I am not claiming as long as the agreement is honoured.

Mr. Chairman: All right! Continue!

Mr. Pattni: My Lords, just to explain to you why Kshs6.3 billion was given as credit is because they did not give me the Kshs14 million credit because that was the shares. The bank gave me Kshs6.3 billion for only 54 days, to be precise. The money was given to Pan African Bank Limited in March and taken away again by May.

So, you can imagine somebody pouring over Kshs6.3 billion of Kirubi and other shareholders' money. Then, it is grabbed from me after I had cleaned the mess and made it to shine. Kotut was off the hook because he then resigned. He said he can now go and work on the flower farm and rest, and let me carry the cross, my Lords. So, it is a kind of action-packed movie, my Lords. So, basically, Kshs6.3 billion was finally accepted as a credit to the Exchange Bank by Mr. Cheserem.

My argument with Mr. Cheserem occurred because of that, my Lords. That is because I was telling him: "Mr. Governor, you are a newcomer! Please, understand the politics behind this." So, Mr. Cheserem said: "I am not a politician!" That is where we differed, my Lords.

The refund was given when I said that I was going to tell the Public Accounts Committee (PAC) the whole reasoning behind those messes, my Lords. That it is not me. A citizen

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can never have so much power, when he is not a person on the seat of authority, my Lords. So, that is the agreement at page 107 which fortifies my case, my Lords.

There were other reasons behind all those things. It is again signed by Mr. Mutula Kilonzo and all the family of Aslam on page 112. Zenath Omisa was the wife; the widow, my Lords. This time, Pansal now comes to be Taher and Mr. Mukesh Rayal, my Lords.

My Lords, Pansal came into existence. The certificate is there.

Dr. Kuria: Please, turn to page 132, the last document.

Mr. Pattni: It is at page 132, my Lords. It is a certificate of incorporation number 52854. Pansal Investments Limited was incorporated on 10th day of March, 1993, which is after both the agreements, my Lords. That is the one of 25th January, 1993, and even the new agreement which was signed by our people, which was on 3rd, March, 1993. So, during both agreements, Pansal never existed, my Lords. I will be putting in the vouchers of the money paid, my Lords. It goes on and at page 114 is a letter dated 25th February, 1993, from Exchange Bank to Kilonzo and Company Advocates confirming about the escrow account. It reads:-

"As per the instructions of our valued customer, M/S Pansal Investments Limited, we, hereby, write to you to advise you---"

My Lords, that was again before the incorporation of Pansal. That was 25th February, 1993.

"We, hereby, write to advise you that our bank is appointed to hold the Escrow Account Number 100138 for the two trustees, namely, your good offices as well as M/S Sharply Berret and Company. We, hereby, confirm and assure you that, as per the terms stipulated in the purchase agreement, we shall arrange to transfer the respective funds out of the said escrow account and deliver to the designated account to be advised to us upon the receipt of a joint written instructions from the appointed trustees in the normal course of banking practice in Kenya.

Please, find enclosed, a copy of the credit advice for a sum of Kshs539 million which is credited to the aforementioned escrow account.

With regards,

Yours faithfully,

Ndetto

For: Exchange Bank

[Mr. Pattni]

So, my Lords, what happened, basically, is that God was with me and, finally, Mr. Cheserem gave a refund. He gave a credit back of Kshs6.3 billion. What happened is that after we paid the money, we took over Pan African Bank. Account number two was created for Pan African Bank, where Kshs4.5 billion was frozen. You see, every commercial bank has only one account in the Central Bank of Kenya (CBK). Account number two only comes in if there is something to be put behind the screen, my Lords. It has happened in the case of--- Even now, in the case of Exchange Bank, there is account number two, my Lords. So, for Pan African Bank, they created account number two. They put the overdraft as it was promised by Mr. Kotut in front of everybody. It was put hidden behind and we were given a clean sheet to start. So, first, we just put in the equity. Then came the International Monetary Fund (IMF) again and found out that the new investors have not actually bought to put in that. So, the CBK wrote to us and said: "Can you---" There are some correspondences which are there in the book, my Lords. Then Kotut said: "You put in this money," and the liquidity was arranged, my Lords. Those contracts of April and of June of Kshs13.5 billion--- I will draw a chart to make it faster and easier for the Commission, to show the hedging and the floor, plus our own money, my Lords.

So, we were told: "Okay. You pay. We are giving you the Kshs4.5 billion liquidity." It was paid, my Lords. Then, after two months, as I said, the whole bank was grabbed away when it was operating perfectly. Again, because the Governor wanted to show the IMF that he was a clean man. Upon that, I will also be putting in an opinion from a Queen's Counsel in the United Kingdom (UK), Lincolns Inn, on the whole issue. So, we had even threatened to sue the CBK for that whole saga of Pansal and Pan African Bank. The opinions found out that the CBK had, sort of, duped or hoodwinked somebody to put in all that into a safety detour and grab it again. It is all linked. Pansal is linked to Kshs13.5 billion. That is because we were promised: "Okay. You will recover from there. Back-to-back contracts are there."

So, it will be my testimony that upon the reversal of Kshs6.3 billion, it will be again my testimony that I have accounted for every penny. It will be my testimony that in that situation, a lot of money has been lost, even from my genuine business. The fraud was in the CBK banking and Pan African Bank. I will be proving that with my lawyer, my Lords. That is not in the actual gold and diamond business. It is more to do with the banking. What happened in 10th August, 1993, is that I had accounted for the money with Cheserem. There was a shortfall of about Kshs2 billion---

Dr. Kuria: Maybe, I could interrupt. My Lords, the witness is covering part of what will be covered in the next statement. So, he can continue explaining, but I had indicated that I would like to cover this and then cover the rest later, but I should not be seen to be stopping him from talking, only that what he is now giving evidence on is not included in the statement.

Mr. Chairman: Do you have the next statement?

Dr. Kuria: No, my Lords. I do not have.



Mr. Chairman: No! The next statement is not covering Pansal.

Dr. Kuria: No, my Lords. It is now building up to the spot contracts and the Kshs13.5 billion. That is the next area that we want to cover.

Mr. Chairman: So, you are through with Pan African Bank?

Mr. Pattni: The last two paragraphs only. My Lords, what I came to realise later is that Mr. Kotut had appointed one Mr. P.J. Kimundi, a Senior Assistant Commissioner of Police, of Exchange Control Investigations, to investigate George Cunningham around January, 1993. Kimundi produced a report dated 10th March, 1993. It is at Exhibit No.138, page 86.

Dr. Kuria: My Lords, the witness is right. Exhibit No.138(K) contains the report which he is referring to. My Lords, what I intend to do is, as I said, we did not intend to duplicate evidence which is on record. Therefore, we shall move fairly faster in the remaining parts.

Mr. Pattni: It is attached. We did not photocopy it again. If you see the report, my Lords, it has all the trains of covering up. The report clearly states that money was siphoned out of Pan African Bank, instead of saying that there was genuine money used to buy goods for Grand Regency. He should have dealt with Pan African Bank but, instead, because they were going to accounts which were not for that purpose--- It went through Barclays Bank. That is what Kimundi says in the report; that monies were transferred through Barclays Bank. And those goods for which we had paid, nothing has come. It is true because when we took over, nothing was there. The report was saying that Mr. George Cunningham should be charged.

So, if Mr. Kotut was serious--- But he did not charge, my Lords. Why? Because Cunningham was his man and the report came out to exonerate the Governor, that is Mr. Kotut. So, my Lords, if you read the report, it will be part of my testimony that it was all a game of getting scapegoats to cover up the mess at the CBK. My Lords, all the things that the Inquiry has been hearing, whether you call it cheque kiting or call it forex-Cs or you call it whatever, it is not! It is all the creation of Kotut and the CBK. The Governor is the Head of CBK.

My Lords, I cannot know whether it was his deputy or a third person. No one can say that these things were done without authority. Basically, that report supports what I am saying, that the Governor was quite capable of appointing an investigation and closing the file. But all this was coming due to IMF and the World Bank, which were there at that time. There are some correspondences within the Central Bank of Kenya just to be shown to the IMF. I will prove that trend in Agreement A, B and C.

Mr. Kitonga: What you are saying is that there were malpractices, but they had the blessings of the Governor?

Mr. Pattni: Yes, my Lords. For any scheme to be created at the Central Bank of Kenya, it has to be approved by the Governor. Forex, retentions and contracts came out. It was all

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because of the crisis at the National Bank of Kenya, Trade Bank, Postbank Credit and Pan African Bank. Up to date, there is a liquidator at Exchange Bank and it has accounted for all the money through the grace of God because of getting back credit from Kshs6.3 billion, which was the whole of Pan African Bank. Today, if you look at Trade Bank and Postbank Credit, they are total write-off; the billions I left at Trade Bank - Because of Mr. Alnoor Kassam, Trade Bank, I know this because I talk to him, he was called when the Anti-Fraud Unit at the Central Bank of Kenya---

Mr. Chairman: Now, you are talking about something else because you are comparing your bank and these other banks. I think you would have to leave that until your statement is properly done.

Mr. Pattni: That is correct, my Lords.

Mr. Chairman: There is a question I want to ask you. Pan African Salvage is supposed to have taken over Pan African Bank, Uhuru Highway Development and Naivasha Safariland Club?

Mr. Pattni: Yes, my Lords.

Mr. Chairman: That in effect meant that Pan African Bank ceased to exist. Am I right in that one?

Mr. Pattni: Pan African Bank ceased to exist?

Mr. Chairman: Yes, Pan African Salvage was buying all those. So, if it was buying all those, then Pan African Bank fizzled out.

Mr. Pattni: No, my Lords. Kshs6.3 billion was injected into Pan African Bank to make it operational.

Mr. Chairman: But here is a new company which has been formed to take over---

Mr. Pattni: No! No, it was only shares, my Lords. The entity remained the same. It was still called Pan African Bank. Certain shareholders were still the same. There was a list which was read out here, like Kawa Kanja, Kairu and others. While we were still in the process of buying, like we bought out Mr. Chris Kirubi and other shareholders - My Lords, 54 days, Pan African Bank as an entity remained the same. It is only the shares which Mr. Aslam held which were bought by Pansal Investments.

Mr. Chairman: So, Pansal Investments became a holding company?

Mr. Pattni: Pansal Investments became a majority shareholder.

Mr. Chairman: No. Did it become a holding company?

Mr. Pattni: Of the Pan African Bank shares.

Mr. Chairman: Of all the other three companies; Pan African Bank, Uhuru Highway Development and Naivasha Safariland Club?

Mr. Pattni: Pansal Investments became the majority shareholders of all those three companies.

Mr. Chairman: How can it become a major shareholder? It bought all of them. It was holding everything.

Mr. Pattni: In Pan African Bank, my Lords, there are other shareholders. It is in the same exhibit. If you can see the list---

Mr. Chairman: What was the percentage of Pansal shareholding in Pan African Bank?

Mr. Pattni: There were two kind of shares. There were management shares and ordinary shares. In management shares, I think it was about---

Mr. Wambua Kilonzo: My Lords, Exhibit No.143, the report that was produced by Mrs. Wambete before you lists all the shareholders from the time of inception of Uhuru Highway Development and Pan African Bank, which are the same questions you are posing to him. Perhaps, he could refer to them. That has already been produced before you.

Mr. Chairman: I agree, but he knows how much stake he had in that particular company.

Mr. Pattni: Yes, my Lords. In Safariland, there was Mrs. Musigha, who was---

Mr. Chairman: No, understand my question. Pansal Investment bought these three companies. What was the shareholding of Pansal Investments in Pan African Bank? Having bought the companies, of course, it had a controlling shareholding.

Mr. Pattni: My Lords, it was about 70 per cent.

Mr. Chairman: The balance was?

Mr. Pattni: There was Kimnya Investments Ltd, William G. Murungu, Pan African Credit and Finance---

Mr. Chairman: Who owned Pan African Credit and Finance?

Mr. Pattni: My Lords, Pan African Credit and Finance was owned by---

Mr. Chairman: I thought it was the Aslam family?

Mr. Pattni: It was Aslam, my Lords.

Mr. Chairman: It is one of the companies you bought?

Mr. Pattni: It was part of the Pan African Bank subsidiaries, my Lords.

Mr. Chairman: A group of companies?

Mr. Pattni: Yes, my Lords.

Mr. Chairman: So, the shareholding in Pan African Credit and Finance comes to Pansal Investments?

Mr. Pattni: Yes, my Lords.

Mr. Chairman: 100 per cent?

Mr. Pattni: No, even in Pan African Credit and Finance, there were a few other shareholders like Kawa Kanja and Rati Shah. Basically, we got control of the bank through Pansal Investments.

Mr. Chairman: So, Pansal Investments is the one which was operating the banking business for the two months in which you had control of the bank?

Mr. Pattni: Yes, Pansal Investments had the management of the Pan African Bank for the 54 days.

Mr. Chairman: Pansal Investments was the controlling shareholder of Uhuru Highway Development?

Mr. Pattni: Yes, my Lords, Pansal Investment had the majority shareholding and there were some other shares for *Mzee* there.

Mr. Chairman: Uhuru Highway Development was the company which was putting up the Grand Regency Hotel?

Mr. Pattni: Yes, my Lords.

Mr. Chairman: How much shareholding in that particular company did Pansal Investments take?

Mr. Pattni: In Uhuru Highway Development?

Mr. Chairman: Yes.

Mr. Pattni: My Lords, in Uhuru Highway Development, it was a majority, but I can get the exact figure. It was approximately, again, 70 per cent.

Mr. Chairman: It was 70 per cent?

Mr. Pattni: Yes, my Lords, without checking the exactness.

Mr. Chairman: And the rest?

Mr. Pattni: There are other shareholders.

Mr. Chairman: Are they relevant to our Inquiry?

Mr. Pattni: Well, His Excellency Daniel arap Moi was a shareholder there at that time.

Mr. Chairman: As part of Pansal Investments?

Mr. Pattni: As part of Uhuru Highway Development from Aslam's time.

Mr. Kitonga: In his own right?

Mr. Pattni: Yes, HEDAM. It was written as HEDAM, but the share certificate shows his name in his own right.

Mr. Kitonga: What is the shareholding?

Mr. Chairman: Let us get it this way: Uhuru Highway Development was wholly taken over by Pansal Investments?

Mr. Pattni: The shares which were held by Aslam family were taken over by Pansal Investments.

Mr. Chairman: How many were they?

Mr. Pattni: My Lords, they were---

Mr. Chairman: If you do not know, answer the question the Vice-Chairman asked: Was HEDAM outside those shares, or within those shares?

Mr. Pattni: It was outside Pansal shares, my Lords.

Mr. Chairman: So, he was one of the other?

Mr. Pattni: He was one of the original shareholders.

Mr. Chairman: Of what?

Mr. Pattni: Of Uhuru Highway Development, my Lords.

Mr. Chairman: You did not buy his shares?

Mr. Pattni: Not at that time with Pansal.

Mr. Chairman: Nor did you buy his shares in Pan African Bank?

Mr. Pattni: No, Pansal did not buy the shares, my Lords.

Mr. Chairman: Then, it comes clearer.

Mr. Kitonga: What was the shareholding of HEDAM? Do you remember?

Mr. Pattni: My Lords, I do not remember, but it will come out in my testimony. When I prepare the statement, I will be quite brief, especially---

Mr. Chairman: You are responding to issues which have been raised by other witnesses here regarding the Goldenberg affair. That is what is of concern to us. Do you get me?

Mr. Pattni: Yes, my Lords.

Mr. Chairman: That is why when you are going outside, I will say no, we are not interested in that. We are interested in you talking about what is directly relevant to the Goldenberg affair.

Mr. Pattni: My Lords, I would not be able to go like the way---

Mr. Chairman: You have been doing?

Mr. Pattni: Yes, meaning to the cents and pennies like Mr. Melvin Smith's account, all the entries and so on. I will give a flow chart---

Mr. Chairman: Where you agree with Mr. Melvin Smith, you say so.

Mr. Pattni: Yes, my Lords.

Mr. Chairman: Where you do not agree with him, you say so.

Mr. Pattni: Yes, my Lords.

Mr. Chairman: Where he has not become complete in his explanation or accounting, you point out and complete the scenario. That is all I am saying. We have terms of reference. Some money has been shown to have been paid or received or paid out by your companies, those are the sort of things, personally, I would want you to talk about, so that the Goldenberg affair has a complete story.

Mr. Pattni: I agree, my Lords.

Mr. Chairman: Some people have accused you or your companies of this and that. Those are the sort of things we need you to respond to. If there are any things which have been left out to bring out the full picture, those are the things we would like you to bring out.

Mr. Pattni: I will, my Lords.

Mr. Chairman: If they overlap with any cases which are pending in court, you would only say as much as are explanatory of what has been said against you. Do you understand?

Mr. Pattni: Yes, my Lords.

Mr. Chairman: That way, you would be able to respond to the adverse notices we have given you. Do you understand that?

Mr. Pattni: Yes, my Lords. I can go to the major points to prove or disapprove them, but I cannot disapprove Mr. Mulili showing my walking style. I saw him walking and saying how I was pacing up and down. I will go into each witness, but just to show that--

(Laughter)

Mr. Chairman: Just answer fully what has been alleged against you.

Mr. Pattni: Just to answer fully, my Lords.

Mr. Chairman: That is right.

Mr. Pattni: My Lords, it is said that no human being is not a sinner. Only Jesus is not a sinner!

(Laughter)

Mr. Chairman: We will end there for today. You will have to prepare another witness for tomorrow. Mr. Pattni will have to come back, precisely a week from now; that is Wednesday next week, by which time all those who are supposed to prepare statements should have them ready, except you will have one day bonus, namely, Thursday next week. Thereafter, I think we will take a very short time with your evidence.

Mr. Pattni: With your directions, my Lords, I will do so.

Mr. Chairman: Thank you very much. Have a good afternoon. See you tomorrow.

Mr. Pattni: Thank you.

The Commission adjourned at 12.50 p.m.

