



27th October, 2020

Mr. Tariq Huda,
Member, Customs,
Federal Board of Revenue,

Islamabad, Pakistan

**Sub: Complaint of Billions of Rupees Money Laundering by M/s Lucky Commodities
Ltd Pakistan a part of Yunus Brother Group (YBG),**

Dear Sir,

I have applied to the Director General Intelligence IR, FBR Islamabad to register my name as Whistle Blower on 16 October 2020. Copy is enclosed.

I have not received any response from FBR though 11 days have passed.

However, the information for Billions of Rupees Money Laundering by M/s Lucky Commodities Ltd Pakistan a part of Yunus Brother Group (YBG) since 2013

1. M/s Lucky Commodities {Pvt.) Limited Pakistan is a commercial importer and an indenter of coal who has been trading since early 2013 and one of many companies of Yunus Brother Group (YBG) .
2. A clear act of illegal money transfer abroad by M/s Lucky Commodities (Pvt) Limited a company incorporated in Pakistan and has its registered office at 7-A, Mohammad Ali Housing Society, A.Aziz Hashim Tabbu Street Karachi, whose one share holder and director, Mr. Tahir Ahmed Khan, is also the Chief Executive Officer and share holder of another Company, M/s Global Commodities Limited Duabu('GCL') which is a company incorporated in the UAE (having its office at Indigo Tower, 203, Jumeira Lake Tower, SHK Zayed Road, Dubai) .
3. In June 2019, Mr. Tahir Ahmed Khan, as Chief Executive Office of M/s Global Commodities Limited Dubai, entered into an agreement to sale 37,215 Tons of Coal, with Mr. Tahir Ahmed Khan, Chief Executive Office of M/s Lucky Commodities Limited , Karachi.
4. And in June 2019, Mr. Tahir Ahmed Khan, as Chief Executive Office of M/s Global Commodities Limited Dubai, also entered into an agreement to purchase of 55,000 MT of coal with M/s Mercuria Singapore at a rate of USD 66.10/MT (FOB basis). The gross calorific value of such coal was stated to be 5,814.



5. As the CEO and signatory of M/s GCL Dubai happens to be Mr. Tahir Ahmed, who is also the CEO of M/s Lucky Commodities Ltd.

Mr. Tahir Ahmed, operates from Karachi, also signs all agreements with parties as CEO of M/s GCL Dubai from Karachi.

6. In fact, the correspondence email address provided by M/s GCL Dubai in its agreement with M/s Mercuria Singapore also happens to be of Lucky Commodities Ltd, Pakistan (i.e. *trade@luckycommodities.com*). **Annexure A.**

7. All the coal purchased by M/s GCL Dubai from M/s Mercuria Singapore was of the same quality, and the entire consignment was to be shipped from Tanjung Sabau Achorage, South Kalimantan, Indonesia to Karachi, through one vessel (namely *SBI Taurus*), as evidenced from the commercial invoice issued by M/s Mercuria to M/s GCL Dubai, attached in **Annexure B.** The coal purchased by M/s GCL was never intended to go to Dubai, where M/s GCL Dubai is located.

It is clear that M/s GCL Dubai is linked with and is a part of M/s Lucky Commodities Ltd Pakistan, and is acting as a front end shell company through which M/s Lucky Commodities Ltd Pakistan route its coal imports into Pakistan.

8. M/s Lucky Commodities Ltd Pakistan entered into a coal purchase agreement with M/s GCL Dubai (which has been established to be a part of M/s Lucky Commodities Ltd only). The coal being sold by M/s GCL Dubai to M/s Lucky Commodities Ltd Pakistan was the same coal that M/s GCL had purchased from Mercuria. However, M/s Lucky Commodities Ltd Pakistan contracted with M/s GCL Dubai for the purchase of same coal at a much higher rate of USD 76.05/MT (CFR basis). **Annexure C.**

The different freight charge issue is clearly evident from the fact that M/s GCL Dubai sold coal consignment to M/s Lucky Commodities Ltd Pakistan at the CFR rate of USD 76.05/MT, whereas the same consignment has been sold to another buyer (i.e. M.A. Oils (Pvt) Limited) for a CFR rate of USD 71/MT. At US \$ 5.05 per ton, over-invoicing on 2.5 Million Tons of Coal comes to **US \$ 126 Million**. If checked from records of import handled by M/s Lucky Commodities Ltd Pakistan from 2013, this over-invoiced may be substantially increased manifold..

9. It is not normal for a trader to sell commodities to any of its customers from same lot, at less than its purchase price.. Hence, even at the rate of USD 71/MT (on a CFR basis), M/s GCL Dubai would be making a gain, which effectively means that M/s Lucky Commodities Ltd has overpaid for the coal sold to it by its related party, the only purpose of which is to unlawful transfer funds out of Pakistan whilst giving an impression that such funds were for imported commodities.



10. In view of the above, it also appears that the entire USD 10 /MT freight cost also appears to be dubious, and may also be a mechanism to siphon out of the Country by M/s Lucky Commodities Ltd Pakistan, and paid to its own shell company/related party (under the garb of freight charges), resulting in a clear act of money laundering and illegal funds transfer out of Pakistan.

11. Bank AL Habib Limited BAHL in this used in the entire transaction as it BAHL's branch located in Manama, Bahrain, was used by M/s GCL Dubai to issue letters of credit ('LC') in favour of M/s Mercuria for acquisition of coal. The payments were made through batches as evidenced through the various commercial invoices issued by M/s Mercuria to M/s GCL. All such invoices clearly state that LCs for the purchase of the coal by GCL were issued by BAHLs Bahrain branch. Copies of such invoices are given in **Annexure-D.**

12. Habib Metropolitan Bank I.I. Cundrigger Road, Karachi is used for the transaction to . Bank AL Habib Limited BAHL located in Manama, Bahrain, though the LC was opened by the Bank for M/s Lucky Commodities Ltd Pakistan, in the name of Ms. GCL Dubai. Why Dubai is used only as address, as no money was remitted to M/s GCL Dubai by M/s Lucky Commodities Ltd Pakistan, which also needs to be checked under the SBP Prudential Regulations. **Annexure E.**

13. Lucky (itself and via its off-shore company GCL) has used the platform provided by BAHL and BAHL to ensure that precious foreign exchange is routed out of Pakistan unlawfully and in clear violation of the foreign exchange regulations of the State Bank of Pakistan ('SBP').

14. The PO Box number provided by M/s GCL Dubai for correspondence belongs to another company (namely CNC Trading DMCC), which further fortifies the fact that KYC-CDD activities of BAHL was not as per the standards expected and required. **Evidence of PO Box registration is attached in Annexure F.**

M/s Global Commodities Limited has declared to have its office at Indigo Tower, 203, Jumeira Lake Tower, SHK Zayed Road, Dubai, but this address is of another company by name of KLYSTRON Global. **Annexure G.**

15. Secondly, M/s Lucky Commodities Ltd Pakistan only contracted to purchase 37,215 MT coal from M/s GCL Duabi (as evidenced from two commercial invoices of 23,686MT and 13,529Mt issued by M/s GCL Dubai in favour of M/s Lucky Commodities Ltd Pakistan, provided in Annexure B above). However, the balance coal was sold by M/s GCL Dubai to various parties at a rate much higher than what was offered to M/s Lucky Commodities Ltd Pakistan. This can be seen from the commercial invoices issued by M/s GCL Dubai to such various buyers, as summarised below:



Particulars	Quantity	FOB Rate	Freight	Total CFR	Quality (K Cal) Sold as
M/S Lucky Commodities (Pvt.) Ltd	37,215	USD 66.10	USD 9.95	USD 76.05	5,814
M/S Sapphir Finishing Mills Limited	11,000	USD 66.80	USD 12.50	USD 79.30	6,134
M/S M.A Oils (Pvt.) Limited	5,500	USD 58.50	USD 12.50	USD 71.00	6,134
M/S Rafhan Maze Products Co. Ltd	5,500	USD 70.25	USD 12.50	USD 82.75	6,134

Copies of such invoices are attached in Annexure H.

16. From the above table, it can be formulated that the M/s Global Commodities Duabi which is shell company of lucky Commodities has provided favorable terms to itself-at the. Expense of the other consignees in terms of overcharging of freight considering that the load port and discharge port of the entire vessel is same. This also translates to possible money laundering of foreign exchange.

17. Furthermore, the FOB price being charged by M/s Global Commodities Dubai also varies from consignee to consignee whereas the quality of coal is the same for all consignees as it is all from the same uniform lot of coal and one full vessel consignment from the purchaser, Mercuria Singapore as evident from Annexure-I. In fact, the same cargo purchased from Mercuria Singapore, sale-purchase routed through shell company in Dubai (Global Commodities), transported on the same vessel (Taurus) from Indonesia to Port Qasim, landed and delivered to consignees from the same terminal location at Port Qasim, has been mis-declared and sold to different buyers In Pakistan with different prices, freight and quality specifications.

18. At the minimum, even if the irregularities in freight (additional USD 2.50) is considered on this one instance, these amount to USD 55,000. Additionally, if factors of freight and FOB laundering are considered, this may translate to millions of dollars' worth foreign exchange being embezzled out of the Country. This is also purportedly a case of customs misdeclaration and duty evasion as cargo with one same quality and price was imported, but eventually sold as cargo with higher prices and higher quality.

7. If the main importer was stated to be M/s Lucky Commodities Ltd Pakistan (as is the case here) then it would have meant that the proceeds from sales made to the 3 other purchasers



would have remained within Pakistan, and foreign exchange would not be siphoned of illegally out of Pakistan.

19. All the coal which has been sold by M/s GCL Dubai to various parties in Karachi was a part of just one single consignment which came from the same vessel (i.e. SBI Taurus), which has the same port of origin and same port of delivery (i.e. Karachi). Despite this, not only did M/s GCL Dubai charge different rates from different purchasers, it also sold the same batch of coal imported via a single vessel at varying FOB cost basis and varying freight basis without any justification or logic. This discrimination is undoubtedly deliberate, the aim of which is simply to transfer funds out of the Pakistan in blatant violation of the foreign exchange regulations of Sate Bank of Pakistan.

20. It is clear that M/s GCL Dubai (which is nothing more than an off-shore arm of M/s Lucky Commodities Ltd Pakistan) has been used by M/s Lucky Commodities Ltd Pakistan for the purposes of transferring money out of Pakistan through unlawful means and by way of camouflaging the transfer under the garb of (purported) payments for imports. Enclosed is the list of past two years only of M/s GCL Dubai, operated by M/s Lucky Commodities (Pvt.) Ltd in Pakistan by Mr. Tahir Ahmed Khan, which has indented around 2.5 millions of tons of coal. **Annexure - H.**

FBR may take cognisance of these transactions and acts of Billion of Rupees money laundering undertaken by M/s Lucky Commodities Ltd Pakistan.

With Regards,

Syed Adil Gilani
Managing Director,
Transparency International Pakistan