

Securities and Exchange Commission of Pakistan
(COMPANY LAW DIVISION)
CORPORATISATION & COMPLIANCE DEPARTMENT

Courier

CLD/CCD/602(47)2003/ 524

March 4, 2015

✓ **Mr. Sohail Muzaffar,**
Chairman,
Transparency International – Pakistan,
5-C, 2nd Floor, Khayaban-e-Ittehad,
Phase VII, Defence Housing Authority,
Karachi.

Subject: **Fraud and Money Laundering of Rs. 15 Billion by Mars Exchange and Agha Super Market**

Dear Sir,

This is with reference to your letter dated 20th February 2015 addressed to Director General NAB, Karachi and received through the office of the Minister of Finance, Revenue, Economic Affairs, Statistics & Privatisation, to whom a copy of the said letter has also been endorsed.

2. It is mentioned that based on a news report titled "Currency dealer flees with Rs. 6 billion black money" published in "The News, International" on October 23, 2013, the matter relating to Mars Exchange Company-B (Pvt.) Limited (the "Company") was instantly referred to the State Bank of Pakistan (SBP). It was requested, vide our letter no. CLD/CCD/602(47)2003/5961 dated October 25, 2013, to take appropriate action under intimation to SECP as the company was an exchange company. Subsequently, the matter was acknowledged as apparent from the letter dated October 29, 2013 of the Banking Policy & Regulations Department of SBP copied to SECP, and the matter was accordingly further referred to the Exchange Policy Department of the SBP for information and further action. Copies of the aforesaid correspondence are enclosed for reference.

3. You would appreciate that SECP is the corporate regulator of the companies, and any business activity undertaken by any company for which prior permission or licensing is required is regulated by the concerned sectoral regulator/licensing authority. The instant matter also apparently arises from the hundi/hawala and money laundering activities undertaken by the said Company which falls under the regulatory purview of the Anti-Money Laundering Act, 2010 (VII of 2010) administered by the Financial Monitoring Unit. It is further

informed that M/s Agha Super Market is a non-corporate entity which also does not fall within the regulatory purview of SECP.

4. It is further informed that for complaint resolution, SECP has an elaborate complaint lodgment and redressal system including a helpline and online complaint lodgment system to receive investors'/general public's complaints. General public can file a complaint or email a query to SECP Service Desk by accessing the website at <http://www.secp.gov.pk/servicedesk/index.asp>. Public warnings are published in the newspapers jointly with the SBP on a periodic basis with the twin objectives of awareness creation amongst as well as prevention of the general public and innocent investors from illegal and fraudulent business activities. However, in the instant matter, no complaint was received against the subject Company from any quarters, and SECP acting proactively on the basis of media report forthwith referred the matter to the SBP since the underlying issue didn't fall within the jurisdiction of SECP.

5. Notwithstanding the above, SECP may provide assistance to the concerned quarters as deemed necessary in the matter and in line with the regulatory jurisdiction entrusted to it.


(Mubasher Saeed Saddozai)
Director (C&CD)

Encl: as above

Copy for information, in pursuance of the letter dated 20th February 2015 from Transparency International-Pakistan, endorsed to:

1. The Secretary to the Prime Minister, Islamabad.
2. The Chairman, NAB, Islamabad.
3. The Hon'ble Minister for Finance, Revenue, Economic Affairs, Statistics & Privatisation, Islamabad.
4. The Registrar, Supreme Court Pakistan, Islamabad.



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Company Law Division
(Corporatization & Compliance Department)

No. CLD/CCD/602(47)2003/5961

Islamabad, October 25, 2013

Mr. Jamal Abdul Nasir,
Deputy Director,
Banking Policy Department,
State Bank of Pakistan,
I.I. Chundrigar Road,
Karachi.

Subject: **IN THE MATTER OF MARS EXCHANGE COMPANY-B (PVT) LTD**

Please find enclosed herewith a copy of news report published in daily "the News" dated October 23, 2013, which states that the directors of the subject exchange company have disappeared after grabbing the hard earned money of the innocent public.

2. It is requested to take appropriate action under intimation to this Commission as it is a money exchange company.

(Munawar Ali Bhatti)
Joint Registrar



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Currency dealer flees with Rs6 bn black money

Monitoring report

Wednesday, October 23, 2013

RAWALPINDI: In his programme "Aaj Kamran Khan Kay Sath", host Kamran Khan on Tuesday disclosed that all the four branches of Mars Exchange, a Karachi-based company dealing in foreign exchange, have been closed for many days and its owner Javed Noorullah has fled to Dubai. He said credible information shows that Javed has committed a fraud of Rs6 billion.

He said the company had outlets in two big stores in Karachi. The outlets have now closed down. Similarly, there is no information about the whereabouts of the owner of a known fashion store, who facilitated the deals.

Kamran said Mars Exchange committed a fraud of Rs6 billion over the past two-and-a-half years. He said a former Sindh minister and many government officers deposited their 'black money' with Javed who promised them about 36 percent profit on their money through his business. He said all this 'black money' was gone now.

He said the former PPP provincial minister had deposited \$12 million with the company through an agreement duly signed by him, Javed and owner of the fashion store.

Kamran Khan disclosed that government officers deposited about Rs600 million and traders' and politicians about Rs800 million with the company which promised them over 30 percent annual profit e.g. 3 percent monthly profit. He said profits were paid at first but then Javed disappeared and his company offices closed down. He said the amount that was collected through owner of the fashion store was all 'black money' which is why no body has lodged an FIR or complaint of fraud of billions of rupees with the FIA.

He said the PPP government in Sindh can investigate the matter, adding that many PPP personalities know its details. He said the State Bank of Pakistan (SBP) has shown ignorance about the scandal. He said Mars Exchange was issued a licence in 1996 in the name of Noorullah and later his sons Javed and Naushad took up the company affairs. He said it remains to be seen whether the government institutions act to investigate this scandal or not.

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31 JAN 2014
By: _____



BANKING POLICY & REGULATIONS DEPARTMENT

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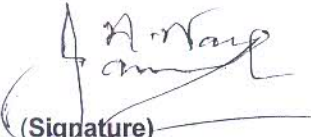
Interoffice Memorandum

To: The Director EPD, SBP, Karachi.
From: Jamal Abdul Nasir, Deputy Director, BPRD.
CC: NIL
Date: October 29, 2013
No.: BPRD/BRD-03/602/2052/2013- 15918

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Special Visit-Mars Exchange Company-B (Pvt)

In continuation of our IM N0.BPRD/BRD-03/602/2052/2013-15540 dated 21-10-2013 on the above subject, we forwarded herewith letter received from SECP, Company Law Division, and Islamabad along with a news report published in daily 'the News' dated 23-10-2013 for information and necessary action at their end under intimation to us.


(Signature)
Encl; (2 pages)

✓ CC: Copy forwarded to SECP, Company Law Division Islamabad, for their information please.

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