

Cheating Public at Large by Directors/Owners of Forex Co M/S Perennials International

1. Background

It was reported to National Accountability Bureau that Directors/owners of forex company M/s Perennials International were involved in cheating public at large. On the complaints of affectees of the said company DG NAB (F) authorized inquiry to unearth the facts of the case, which was later on converted into formal investigation.

2. Establishment of Company

During inquiry/investigation it revealed that M/s Perennials (pvt) Ltd was incorporated as company limited by shared at company Registration office Lahore Region having its head offices in Model Town Lahore and branch office at University Road Peshawar.

3. Modus Oprendi

The memorandum of association and Form No 29 of the company revealed that out of multi objectives of company none was related to any business of accepting deposits from general public and to make out profits of it. By deviating from the memorandum of the company as well as the provisions of companies ordinance 1984, the directors/owners of the said company managed to deceive and lure general public by offering them quite unrealistic high profit incentive (approx 4% per month). In this way they were succeeded in collecting deposits from general public to the tune of US \$ 241225 by offering them following three types of accounts

a. Portfolio/Managed Accounts

Through this account, the client deposited his amount on the basis of 3 to 4 percent fix profit margin.

b. Trading Account with 10% Loss Basis

Where the investment was made on profit and loss basis but loss up to 10%

c. Trading Account on Profit and Loss Basis

Where profit and loss was completely borne by the client.

Through this methodology the Directors/Partners/Officials misappropriated hard earned money of general public to the tune of US \$ 174144/-. (Rs 10,448,640/- approx).

4. Outcome of Investigation

Formal investigation of the case was authorized by the competent authority on 06 April 2004. During investigation 07 Nos Directors/owners/officials of said company were found involved in the scam Out of said 07 accused persons two directors of the company were also arrested. A reference was filed in the Accountability Court in July 2006 against the said 07 Nos accused persons. During the course of trial, 05 Nos accused including the said 02 arrested accused persons opted conviction through Plea Bargain against their respective share of embezzled amount that comes to Rs 86,89,239/-. Whereas the remaining 02 Nos accused persons are still facing the trial. Schedule of Plea-bargain amount is as under;

1st Installment Rs 52,91,946/-

2nd Installment Rs 16,98,646/- (Due date 10-04-2008)

3rd Installment Rs 1698,646/- (Due date 10-07-2008)

1st installment of Rs 5291946 was released and distributed among 27 Nos affectees proportionately on 15-05-2008.

Present Position

4x accused persons have defaulted in the payment of plea bargain amount. Therefore, a reference against them have been filed in the A/Court in Jan 2009, while one accused Mr. Waqas has paid his share of plea bargain amount of Rs. 6,79,459.