



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

*International Affairs, Communication & Coordination (IACC) Department*

***PRESS RELEASE***

**FOR IMMEDIATE RELEASE**

## **SECP puts fraudulent company out of business**

Islamabad, November 15: The Securities and Exchange Commission of Pakistan has put an end to fraudulent activities of M/s. BizNas.Com Pakistan (Private) Limited.

A timely action by the SECP's Karachi-based Companies Registration Office (CRO) has put an end to the fraudulent company, saving a large number of prospective investors losing their hard-earned money.

The Sindh High Court has passed an order for compulsory winding up of the company under section 305 of the 1984 Companies Ordinance. The official assignee has been appointed as official liquidator of the company.

The company was registered with the CRO on March 5, 2002. The main objectives of the company were designing and developing computers software packages. The company operated a website, owned by its parent company, through which it provided different IT courses and also made available to its members space for hosting on its website. The business mechanism of the company was based on a Pyramid or Ponzi scheme, in which returns are paid to earlier investors/members, entirely out of the money paid into the scheme by new investors/members.

The company's activities were objectionable because they were not provided in its Memorandum of Association. Hence the company was doing ultra vires business. Moreover, the company was engaged in activities that were considered to be of a fraudulent nature, offering people incentives only for getting deposits from other investors.

The show-cause notices were issued to the company but the company failed to clarify its position. The CRO initiated winding up proceedings against the company and a case was filed in the Sindh High Court in 2002, which has now ordered compulsory winding up of the company.

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