



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- II

Adjudication Division

ORDER							
Name of Company:	M/s. Fast Mobile (Private) Limited						
Show Cause Notice No. & Date:	No. Adj-II/26,172/IAN-295,296/Onsite/2024-25/396 dated March 28, 2025						
Respondents:	M/s. Fast Mobile (Private) Limited and its directors						
Date(s) of Hearing(s):	<table border="1"><thead><tr><th>Dates</th><th>Attended by</th></tr></thead><tbody><tr><td>April 16, 2025</td><td>Mr. Muhammad Shayan Arshad, Director</td></tr><tr><td>April 30, 2025</td><td>No one appeared to attend the hearing</td></tr></tbody></table>	Dates	Attended by	April 16, 2025	Mr. Muhammad Shayan Arshad, Director	April 30, 2025	No one appeared to attend the hearing
Dates	Attended by						
April 16, 2025	Mr. Muhammad Shayan Arshad, Director						
April 30, 2025	No one appeared to attend the hearing						
Case represented by:	One of the Respondents namely Mr. Muhammad Shayan Arshad, Director						
Provision of law involved:	Sections 500, 502 and 172 for violations under section 26(2) of the Companies Act, 2017						

This Order shall dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (the '*Commission*') vide Show Cause Notice No. Adj-II/26,172/IAN-295,296/Onsite/2024-25/396 dated March 28, 2025 (the '*SCN*') issued to M/s. Fast Mobile (Private) Limited (the '*Company*') and its Board of Directors namely, Mr. Zhu Bei, Chief Executive Officer/ Director and Mr. Muhammad Shayan Arshad, Director (collectively referred to as the '*Respondents*') under sections 500, 502 and 172 under section 26 of the Companies Act, 2017 (the '*Act*') by carrying on lending activities i.e., offering Nano-loans to the general public without obtaining requisite license required for this purpose under the applicable law.

2. The Company was incorporated with the Commission under the Act on September 21, 2022 as a private company. As per records available, the authorized and paid-up share capital of the Company is Rs. 1,000,000/- divided into 10,000 ordinary shares of Rs. 100/- each. Shares held by the directors of the Company are as follows:

S#	Name of Director	CNIC/ Passport	Designation	No. of shares held / %age
1	Mr. Zhu Bei	EJ4557731	CEO/ Director	9,900 (99%)
2	Mr. Muhammad Shayan Arshad	35201-0467809-7	Director	100 (1%)

3. The principal line of business of the Company as mentioned under clause 3(i) of its Memorandum of Association ('*MOA*') is as under:

"The principal line of business of the company shall be to carry on the business of establishing, developing, distributing, buying, selling, manufacturing, assembling, importing and exporting of mobile phones, parts and accessories of mobile phones, parts tools for manufacturing and assembling purpose permission from relevant authorities."

4. In terms of clause 3(iii) of the MOA, the Respondents are restricted from undertaking/indulging *inter alia* in the business of a Banking Company or a Non-Banking Finance Company, including microfinance or microcredit business, as follows:

"Notwithstanding anything contained in the foregoing sub-clauses of this clause nothing contained herein shall be construed as empowering the Company to undertake or indulge, directly or indirectly in the business of a Banking Company, Non-banking Finance Company (Mutual Fund, Leasing, Investment Company, Investment Advisor, Real Estate Investment Trust management company, Housing Finance Company, Venture Capital Company, Discounting Services, Microfinance or Microcredit business), Insurance Business, Modaraha management company, Stock Brokerage

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business, forex, real estate business, managing agency, business of providing the services of security guards or any other business restricted under any law for the time being in force or as may be specified by the Commission..”

5. Moreover, the Respondents under clause 3(iv) of the MOA, have undertaken not to engage in the following business:

“(a) engage in any of the business mentioned in sub-clause (iii) above or any unlawful operation;

(b)

(c) engage in any of the permissible business unless the requisite approval, permission, consent or license is obtained from competent authority as may be required under any law for the time being in force.”

6. The facts leading to issuance of the SCN are that an investigation was carried out in pursuance of the Investigation Order dated March 31, 2023 passed by the Commission under section 257 of the Act to ascertain the factual position of the Company, as during social media surveillance conducted by the Supervision Division of the Commission, the Company was suspected to be involved in providing loans to the general public through a smartphone app namely “Cash Box” available on the Google Play Store, without obtaining license for the said activity. The Investigation Report dated August 29, 2023 concluded that the Respondents were engaged in lending activities and offering Nano-loans to the general public, *prima facie*, without obtaining a license from the State Bank of Pakistan (*SBP*) or the Commission under the respective laws.

7. Since the above activities are not covered in the Company’s MOA and are not aligned with the law, a SCN was issued to the Respondents calling them to show cause in writing within fourteen (14) days of the date of the SCN, as to why:

- (i) Penalty may not be imposed on the Company and its CEO/ Directors under section 502, 500 and section 26 of the Act; and
- (ii) Disqualification Order may not be issued against the CEO/ Directors of the Company under section 172(1)(k)(o) of the Act.

8. Furthermore, in order to provide an opportunity for personal representation, a hearing on the matter was scheduled through the SCN for April 16, 2025, at 12:00 P.M. before the undersigned. On the date of scheduled hearing, one of the Respondents namely Mr. Muhammad Shayan Arshad, Director, appeared and made the following submissions:

- (i) He holds 1% shareholding in the Company and worked briefly as an office boy.
- (ii) He was introduced to the Company through his friend, Mr. Ibtesam Naveed, who was common acquaintance with the CEO, Mr. Zhu Bei. Mr. Ibtesam informed him about the Company’s intended business of stones and its plan to open an office in Islamabad, persuading him to accept the job at the Company. Mr. Ibtesam Naveed in the same way also convinced his sister, Ms. Rabia Naveed, to take up the job at another company owned by Mr. Zhu Bei i.e., Gateway Games (Private) Limited.
- (iii) That the Bank accounts of the Company could not be opened due to owner/ director not having Pakistan’s nationality, and therefore, Mr. Shayan was made 1% shareholder and director solely to facilitate the opening of bank accounts of the Company.



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- (iv) He received only a monthly salary of Rs. 50,000 and no additional compensation or funds were received from Mr. Zhu Bei or from the Company's accounts.
- (v) He is not a signatory to any of the Company's bank accounts and has no access to cheque books or other credentials related to such accounts.
- (vi) He is unfamiliar with the Cashbox app or LendHome app and unaware of the Company's principal line of business, and he was not part of lending activities of the Company.

9. Mr. Zhu Bei, the CEO, however, did not attend the hearing scheduled on April 16, 2025, and no written response to the SCN was received as well. To provide another opportunity of hearing to the CEO of the Company, a second hearing was fixed on April 30, 2025, at 11:00 A.M. before the undersigned, vide hearing notice dated April 23, 2025 and through email on April 24, 2025. The CEO was also directed to provide written response to the SCN within 5 days of the hearing notice. However, the CEO neither attended the scheduled hearing nor submitted any written reply against the SCN till date.

10. With regards to delivery status of the SCN and the hearing notice, it is stated that in light of the provisions of section 53 of the Act, the SCN dated March 28, 2025 as well as the hearing notice dated April 23, 2025 were issued at the registered office address of the Company and the residential addresses of the CEO/directors. Further these notices were also delivered at the email address as per the Company's records available with the Commission i.e., fastmobilesltd@gmail.com.

11. It is evident from the foregoing that the CEO of the Company was provided sufficient time and opportunities to explain his and the Company's position with regards to allegedly carrying on lending activities and offering micro/nano loans to the general public without having obtained the requisite license, as lending is a licensed activity. However, the CEO opted not to explain/ defend his position despite service/ delivery of the SCN and hearing notices. Accordingly, the show cause proceedings initiated against the Respondents are being concluded, considering the information available on record and on merit.

12. In order to decide the matter, it is essential to analyze the issues at hand and the conclusions drawn during the adjudication proceedings, considering the facts of the case, the Company's records, any submissions made by the Respondents (if applicable), the documents available with the Commission including the findings of the investigation team and the relevant provisions of law:

- (i) In terms of section 26(2) of the Act, a company shall not engage in a business which is (a) prohibited by any law for the time being in force in Pakistan; or (b) restricted by any law, rules or regulations, unless necessary license, registration, permission or approval has been obtained or compliance with any other condition has been made. Section 26(2) of the Act is reproduced below for reference:

*"26. Business and objects of a company. — (2) A company shall not engage in a business which is—
(a) prohibited by any law for the time being in force in Pakistan; or
(b) restricted by any law, rules or regulations, unless necessary licence, registration, permission or approval has been obtained or compliance with any other condition has been made."*

- (ii) In terms of clause 3(iii) of the MOA, the Respondents are restricted from undertaking/indulging *inter alia* in the business of a Banking Company or a Non-Banking Finance Company, including microfinance or microcredit business. Moreover, the Respondents under clause 3(iv) of the MOA, have undertaken not to engage in any business mentioned in clause 3(iii) of the MOA or any unlawful operation, and in any permissible business unless the requisite approval, permission, consent or license



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is obtained from the competent authority as may be required under any law for the time being in force. Social media surveillance conducted by the Supervision Division of the Commission revealed various apps on Google play store, being operated by unlicensed entities, which were offering Nano-loans to the general public. One of such apps namely, "Cash Box" developed by "Nirmal Tylor" available at Google Play store was found, wherein the contact email address fastmobilesltd@gmail.com was provided that matched with the email address provided by the Company. However, as per updated search, the app was not found at google play store. Reportedly, the working of the aforesaid app was similar to "LendHome", another digital lending application of M/s. Gateway Games (Private) Limited, having common Chief Executive Officer with the Company. Subsequently, a query letter dated October 31, 2022 was issued to the Company requiring to clarify its position regarding involvement in a licensed activity i.e., extending loans to general public, without having the requisite license and in response, directors of the Company submitted a reply vide letter dated November 05, 2022, through their legal counsel namely M/s. Sheikh Law Associates along with affidavits of the directors stating therein the following:

"In this regard it is stated that, we are writing this letter to accept our mistake, (that we have offering instant loans Micro-Credit Via Smartphone App by the name of "Cash Box" by mistake, wrongly "Cash Box" App from smartphone app store publicly, we have no idea for registration of NBFC and SCB). We tried by mistake and apologize for being so irresponsible. We will surely change our working strategy and will definitely keep everything noted for future references."

- (iii) Based on information provided by banks to the Investigation team, following bank accounts were found pertaining to the Respondents:

Bank	Account Title	Account #	Aggregate Credit Turnover (Rs.)
United Bank Limited	Fast Mobile (Private) Limited	1927288840862	301,627,677
Samba Bank Limited	Fast Mobile (Private) Limited	2001177012	1,197,519,247
Meezan Bank Limited	Fast Mobile (Private) Limited	0205-0107359507	47,698,849
Total			1,546,845,773

The records pertaining to aforementioned bank accounts were reviewed by the Investigation team and it was noted that the signatory to the accounts was Mr. Zhu Bei, the CEO/director of the Company and small amounts were being deposited in these accounts through IBFTs from individuals throughout the country. The amounts were also credited from a company, which had a Chinese citizen as its director. The amounts were also received from and paid to Mr. Zhang Ying and Mr. Zhu Bei. Moreover, Mr. Muhammad Shayan Arshad, director, in his submissions stated that he did not have access to the Company's funds and the mobile application. All access credentials and cheque books of the bank accounts used for lending activities were held by the Company's CEO, Mr. Zhu Bei.

- (iv) As per the investigation report, mostly funds were credited from various distinct branches i.e., Islamabad, Lahore, Karachi, Peshawar, Quetta, Peshawar, Rawalpindi, Faisalabad etc. It is pertinent to mention here that IBFT transactions were routed into the account within short period. Transactions were conducted with individuals who were maintaining accounts in different banks, Easy-paisa and Jazz-cash. Mr. Zhu Bei was also maintaining personal account with MCB Bank Limited (MCB), Firdous Market branch, Lahore since October 03, 2022. Details of reported bank account is tabulated below:

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Bank	Account	Account opening date	Aggregate Credits (PKR)	Aggregate Debits (PKR)	Status
MCB- Firdous Market Lahore	Zhu Bei - 1454246051007207	3-Oct-22	8,605,034	8,520,842	Active

The account activity was reported suspicious due to frequent various IBFTs transactions. As per KYC and Account Opening Form, the individual, Mr. Zhu Bei declared himself, a salaried person. However, the individual was running an online application & providing loan to the public of Pakistan in small chunks.

- (v) The Investigation team also observed from the bank records that in many banking transactions, the amounts were transferred to other companies/enterprises. A few instances are as follows:

Transferor	Account #	Transferees' Account Title	Transferees' Account #	Amount Transferred (Rs.)
Fast Mobile (Private) Limited	2001177012 - Samba Bank Limited	Blue Shark E-Comm (Private) Limited	3060107491657	1,700,888
		Decho Technology (SMC-Private) Limited	PK06SAUD0050755 000534198	321,477,000
		Gateway Games (Private) Limited	2040107238251	27,646,679
		Happyin Games Private Limited	192010953165	345,005,000
		Hui Da Services Private Limited	3170107404675	47,018,096 43,361,999
		Noblefull Technology (SMC-Private) Limited	400848289001	296,549,776
		Quan Solutions	109800008410106	18,850,000
		Speed Star Traders	1040107514711	4,000,000
		Super Red Technology (SMC-Private) Limited	3170107562455	950,000
		Total		

In view of the aforesaid, the Investigation team concluded as following:

- The Company since its inception, intended to engage into lending business.
 - Funding source of the Company was not bona fide and failed to meet the criteria as provided under Rule 5(5) of the NBFC Rules, 2003.
 - The Company disguised itself as a technological company, whereas, its actual business was lending.
 - The Company transferred its funds to various companies, being owned/operated by Chinese director(s).
- (vi) Analysis of these complaints and other records, along with statements recorded from the complainants revealed that the Company was involved in the Nano-lending business without having obtained the requisite license from the SBP or the Commission. The investigation conducted against M/s. Gateway Games (Private) Limited, a company also owned by Mr. Zhu Bei, revealed that the said company was also involved in lending activities through a digital app called "LendHome", available on the Google Play Store, without having any license from the SBP or the Commission. The said app was designed



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for personal loans wherein users could apply for loans of up to Rs. 50,000/- after fulfilling the requirements, including providing information and allowing certain permissions during the application process. However, according to online reviews by the general public, it was revealed that the app was designed to collect personal data from the users' mobile phones, which was later used to blackmail and threaten them for repayment of principal and interest amounts.

- (vii) Lending activities and offering Nano-loans to the general public is a licensed activity for which a license must be obtained from the SBP as a banking company or the Commission as a Non-Banking Finance Company (NBFC). The incorporation of an NBFC is governed by section 282C of the Companies Ordinance, 1984, which provides that an NBFC shall not carry on business unless it holds a license issued in that behalf. Relevant provisions are reproduced below for ready reference:

“282C. Incorporation of NBFC. - (1) A NBFC shall not be incorporated without prior approval of the Commission.

(2) Notwithstanding anything contained in any other provision of this Ordinance, a NBFC shall not carry on business unless it holds a license issued in that behalf by the Commission, and any such license may be issued subject to such conditions, [and payment of such fees] as the Commission may deem fit to impose.”

While the Company was authorized to undertake the business of mobile phones as per its MOA, the transactional patterns observed in the reported bank accounts and linkage with the apps namely, Cash Box and LendHome suggest that the Company and its CEO/directors were engaged in unauthorized activities. The Investigation team, after considering its findings, concluded that the Respondents were engaged in lending activities and offering Nano-loans to the general public, without obtaining a license from the SBP or the Commission, and such activities are in direct conflict with the MOA. Furthermore, the Investigation Report concluded that the Respondents have defrauded the general public by offering loans without requisite license and continued to introduce itself as a company involved in buying/selling of mobile phones, thereby, devising scheme to deceive the financial and corporate system to camouflage its lending business.

13. In view of the foregoing and considering: (a) social media surveillance conducted by the Commission; (b) findings of the Investigation team; (c) use of a digital app i.e., Cash Box for extending loans to the general public by the Company; and (d) non-submission of written response against the SCN by the Respondents coupled with non-attendance at the hearings, it is established that the Respondents were offering loans to the general public without having requisite license from the SBP or the Commission in violation of section 26(2) of the Act read with clause of 3 of the MOA of the Company, which attracts the penal provisions as envisaged under sections 502 and 500 of the Act against the Company and its CEO/directors, respectively. The provisions of the law are produced hereunder:

“500. Penalty for carrying on ultra vires business. —If any business or part of business carried on or any transaction made, by a company is ultra vires of the company shall be an offence and every person who acted as a director or officer of the company and is responsible for carrying on such business shall be liable to a penalty of level 3 on the standard scale, and shall also be personally liable for the liabilities and obligations arising out of such business or transaction.

502. Penalty where no specific penalty is provided. —If a company or any other person contravenes or fails to comply with any provision of this Act or any condition, limitation or restriction subject to

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which any approval, sanction, consent, confirmation, recognition, direction or exemption in relation to any matter has been accorded, given or granted, for which no punishment is provided elsewhere in this Act, the company and every officer of the company who is in default or such other person shall be liable to a penalty of level 3 on the standard scale.”

14. Moreover, in view of the above and considering that the CEO/directors of the Company, in a letter dated November 05, 2022, through their legal counsel, acknowledged offering instant loans/microcredits to the general public through "Cash Box" app without obtaining the license for lending activities, it is established that the CEO/directors of the Company have acted in violation of the Company's MOA and contrary to the public interest. Therefore, the CEO/ directors are subject to disqualification under section 172(1)(k)(o) of the Act, which stipulates that a director may be disqualified for up to five years if he/she refuses to comply with the MOA's requirements or if such disqualification is expedient in the public interest. Relevant provisions of section 172(1) of the Act are produced below:

“Disqualification orders. — (1) In any of the circumstances stated hereunder, the Commission may pass a disqualification order against a person to hold the office of a director of a company for a period up to five years beginning from the date of order—

(k) the company of which he is a director refuses to act according to the requirements of the memorandum or articles or the provisions of this Act or fail to carry out the directions of the Commission given in the exercise of powers under this Act; or

(o) that it is expedient in the public interest so to do.”

15. I, therefore, in exercise of the powers under sections 500 and 502 of the Act, delegated to the undersigned vide S.R.O No. 1546(I)/2019, hereby impose the following penalties on the Company and its CEO/ director for carrying on licensed activity without having license in violation of 26(2) of the Act. However, considering the submissions made by Mr. Muhammad Shayan Arshad, his shareholding in the Company (being 1% only) and in view of the fact that he had no access to the Company's bank accounts and merely worked as an employee of the Company, as reported in the investigation report as well, no monetary penalty is being imposed on him:

Imposed on	Amount (Rs.)	For Violation Under Section	Imposed under section
M/s. Fast Mobile (Private) Limited	500,000	Section 26 of the Act.	502 of the Act
Mr. Zhu Bei Passport # EJ4557731 Chief Executive Officer and Director, M/s. Fast Mobile (Private) Limited	500,000	Section 26 of the Act.	500 of the Act.

16. Further I, in exercise of the powers under section 172 of the Act, delegated to the undersigned vide S.R.O. 129 (I)/2020 dated 24th February, 2020 hereby disqualify **Mr. Zhu Bei**, holding Passport No. EJ4557731, and **Mr. Muhammad Shayan Arshad**, holding CNIC # 35201-0467809-7, from becoming a director/chief executive of any company for a period of 5 years from the date of this Order under clause (k) and (o) of Section 172(1) of the Act.

17. **M/s. Fast Mobiles (Private) Limited and its above-mentioned Chief Executive Officer/director** are hereby directed to deposit the aforesaid penalty in the accounts of the Commission being maintained in the designated branches of MCB Bank Limited or United Bank Limited within 30 days of the receipt of this Order



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and furnish Original Deposit Challan to this office through courier and/or email at adjudication.headoffice@secp.gov.pk.

18. This order is being issued without prejudice to any other proceedings or action that the Commission or any other authority, bureau, agency or institution may initiate, in accordance with relevant provisions of law, against the Respondents and any other officer of the Company.

A handwritten signature in blue ink, appearing to be 'Hammad Javed', is written over a horizontal line.

(Hammad Javed)

Additional Director / Head of Department
Adjudication Department-II

Announced: May 16, 2025