



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- II

Adjudication Division

IN THE MATTER OF

M/s. ACTUAL TRADING (SMC-PRIVATE) LIMITED  
Mr. ZAHID ASLAM, CEO/DIRECTOR

|                   |  |  |
|-------------------|--|--|
| Show Cause Notice | No. Adj-II/84/01/IAN-03/Onsite/2024-25 dated August 29, 2024 |  |
| Dates of hearing  | October 3, 2024  | No one appeared to attend the hearing(s) |
|                   | November 7, 2024   |  |

**ORDER UNDER SECTION 84(1) AND 26(2) READ WITH SECTION 84(2), 500 AND 502 AND SECTION 172 OF THE COMPANIES ACT, 2017**

This Order shall dispose of the adjudication proceedings initiated by the Securities and Exchange Commission of Pakistan (the “*Commission*”) through Show Cause Notice No. Adj-II/84/01/IAN-03/Onsite/2024-25 dated August 29, 2024 (the “*SCN*”) issued to M/s Actual Trading (SMC-Private) Limited (the “*Company*”) and Mr. Zahid Aslam, CEO/Director (collectively referred to as the “*Respondents*”). The Company was incorporated as a single member company on February 1, 2022, under the Companies Act, 2017 (“*Act*”). The principal line of business of the Company as mentioned in clause 3(i) of the Memorandum of Association (“*MoA*”) is as under:

*“The principal line of business of the company shall be to carry on the business of services legally permissible, sale, purchase, import, export and to act as general traders, general order suppliers of product commodities, material legally permissible in any form or shape, manufactured, semi manufactured, raw materials supplied by any company, firm, association of persons, body, whether incorporated or not, individuals, government or any local authority, as permissible under law.”*

2. In terms of clause 3 (iii) of MoA of the Company, the Respondents are restricted from indulging *inter alia* in banking, non-banking finance, stock brokerage business: -

*“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, Modaraba management company, Stock Brokerage 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.”*

3. Moreover, in view of clause 3 (iv) of MoA of the Company, the Respondents have undertaken not to engage in the following businesses:

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



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

## Adjudication Division Adjudication Department - II

- (b) *launch multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities/businesses or any lottery business;*
- (c) *engage in any of the permissible business unless the requisite approval, permission, consent or licence is obtained from competent authority as may be required under any law for the time being in force.*

4. The brief facts leading to the issuance of the Show Cause Notice are that the Commission conducted Investigation into the affairs of the Company under Section 256 of the Act and observed that the Respondents were soliciting investment plans ranging from \$100 to \$100,000 by promising 13% to 20% returns to the public/ investors on their investment(s) on a monthly basis. The Company was involved in taking investments from the general public with the terms and conditions on E-stamp with a commitment of profit disbursement every month.

5. As the above objects are not covered in the MoA and are not aligned by law, a SCN was issued to the Respondents calling upon them to furnish submissions in writing to explain within fourteen (14) days of the date of the SCN, as to why:

- i. Penalty may not be imposed on M/s. Actual Trading (SMC-Private) Limited under Section 84 (2) of the Act for alleged violation of Section 84 (1) of the Act.
- ii. Penalty may not be imposed on the Company and Director/CEO under Section 502 and Section 500 of the Act, respectively for prima facie violation of Section 26 of the Act.
- iii. Disqualification Order may not be issued against the CEO/Director of the Company under section 172 (1) (d), (h) and (o) of the Act, if the director has been involved in illegal deposit-taking activities.

6. Further, the Respondents were advised to inform if they wanted to avail an opportunity of being heard in person or through authorized representative(s). The Respondents, however, neither furnished any written response to the SCN nor submitted any request for availing opportunity of being heard. Hearing Notices dated September 27, 2024 and November 1, 2024 were issued to the Respondents and hearings in the matter was scheduled on October 3, 2024 and November 7, 2024 and were also advised to submit written response to the SCN, failing which the matter will be decided on the available record with the Commission. The SCN and hearing notices were sent at registered address of the Company as well residential address of the CEO/Director of the Company. However, the Respondents again neither preferred to file written submissions to the SCN nor availed opportunity of hearing. It is pertinent to mention here that the Respondents were informed vide the reminders/hearing notices that the matter shall be decided on the basis of available record in case they did not submit any response. However, no reply has been received from the Respondents till date.

7. Regarding service of SCN and reminders, section 53 of the Act provides that: *“a document or information may be served on the company or any of its officers at the registered office of the company against an acknowledgement or by post or courier service or through electronic means or in any other manner as may be specified.”*



## SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

### Adjudication Division Adjudication Department - II

8. It is evident from the foregoing that the Respondents were provided multiple opportunities to explain their position in writing with regard to allegedly carrying on prohibited and unlawful business by inviting and accepting unauthorized deposits from the public. The Respondents opted not to explain/defend their position despite issuance of SCN and Hearing Notices. Accordingly, the proceedings are being concluded, considering the material available on record and on its merit.

9. It was alleged in the instant SCN that the Respondents were raising unauthorized deposits from public, *prima facie*, in violation of section 26(2) and section 84(1) of the Act and *ultra vires* to its MoA. Before analyzing the allegations, it seems appropriate to discuss the relevant provisions of law on the subject-matter which are reproduced hereunder: -

(i) **84. Prohibition on acceptance of deposits from public.** — (1) *On and after the commencement of this Act, no company shall invite, accept or renew deposits from the public:*

*Provided that nothing in this sub-section shall apply to a banking company and such other company or class of companies or such deposits as the Commission may, notify in this behalf.*

**Explanation.** — *For the purposes of this section, "deposit" means any deposit of money with, and includes any amount borrowed by, a company, but shall not include a loan raised by issue of debentures or a loan obtained from a banking company or financial institution or an advance against sale of goods or provision of services in the ordinary course of business.*

(ii) 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 licence, registration, permission or approval has been obtained or compliance with any other condition has been made. Deposit taking by companies is prohibited under the Act. Accordingly, any company engaged in deposit taking commits violation of section 26(2) of the Act. Section 26(2) of the Act is reproduced below for ease of 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.*

(iii) In terms of clause 3 of MoA, the Respondents have undertaken that they shall not engage in any unlawful/prohibited business activities. Inviting and accepting deposits is unlawful/prohibited in terms of sections 84(1) and 26(2) of the Act.



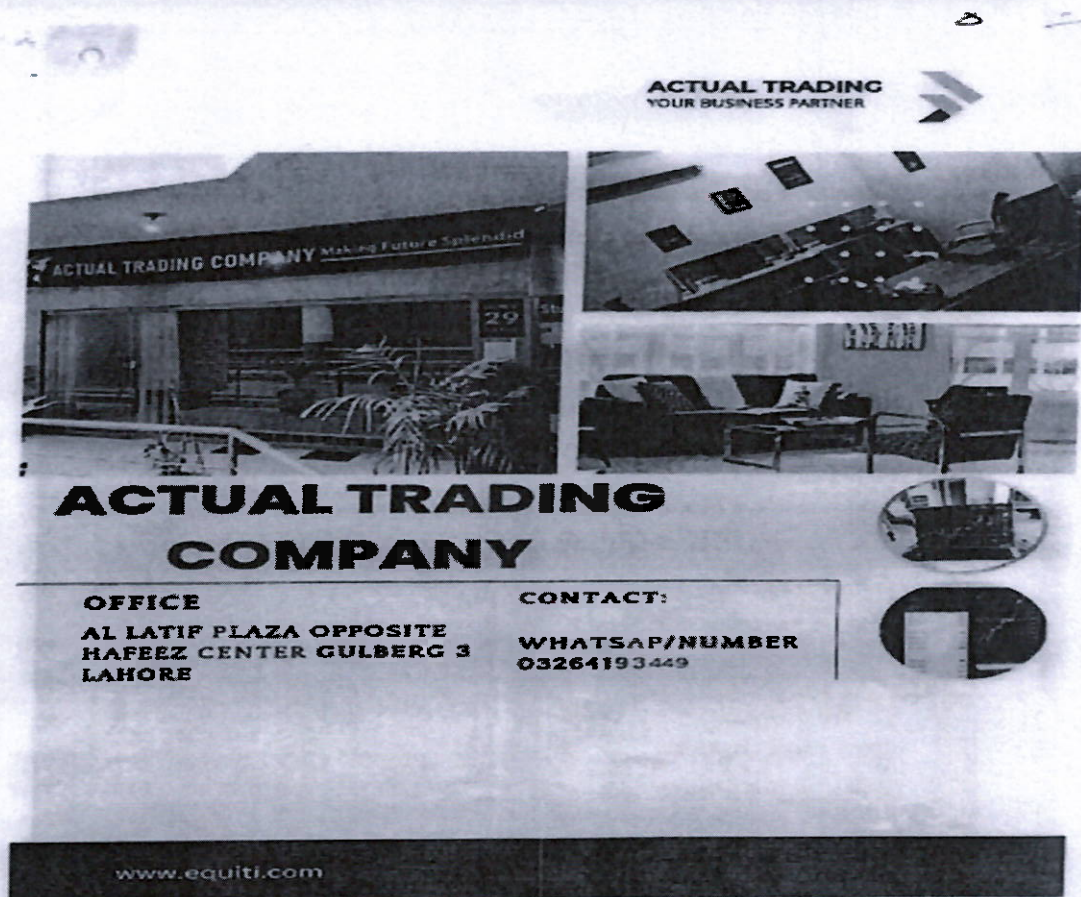


## SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

### Adjudication Division Adjudication Department - II

Capital Limited UK was also mentioned as an affiliate of the aforesaid Company. The Company was purportedly using it to trade in forex using investments from the general public. Moreover, the Company also maintains a Facebook Page (was still active at the time of issuance of the SCN) with the name of Actual Trading Company, wherein different content is posted related to seeking public investments in forex, gold, etc.

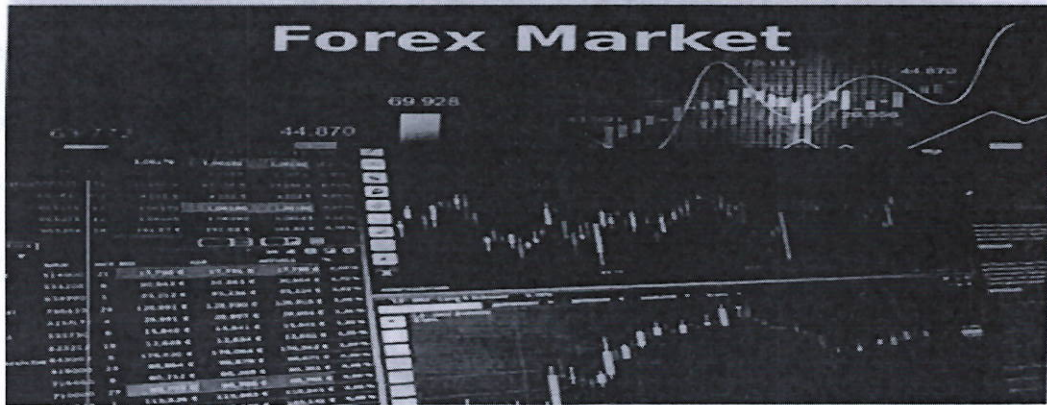
- c) The investigation team of the Commission also visited the Registered Office of the Company which was found vacant and closed. It was found that the Company had moved to a new location i.e. Al-Lateef Centre, Opposite Hafeez Centre, Main Boulevard, Gulberg 3, Lahore. This new address was also mentioned in the promotional/marketing material of the Company. The Team upon visiting the new address inquired from the staff about the nature of the Company's business, who informed that the Company is engaged in Forex Investments and gives fixed returns based on multiple packages as mentioned in the promotional/marketing material. The team has also captured the attached pictures for reference:



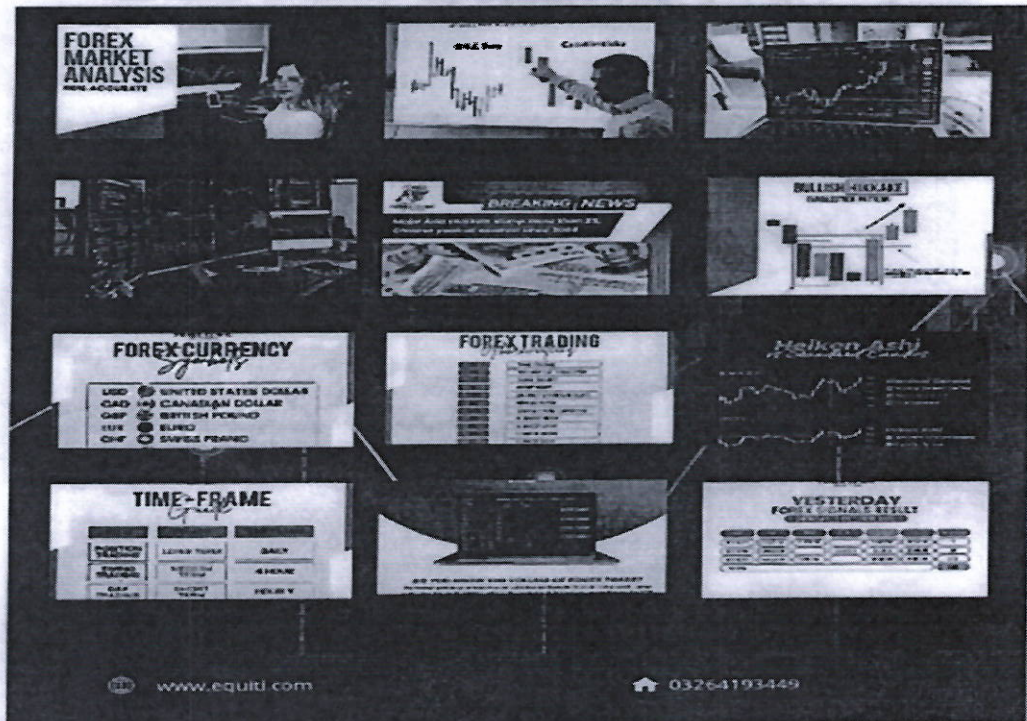


## Overview

Actual Trading is a real generation program having more than 10 years of experience in Forex Market. This plan specially designed to uplift the society from poverty and making future splendid. Let's create history together."



## Forex information:



This collage provides a comprehensive overview of Forex trading information. It includes:

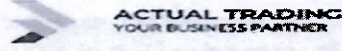
- FOREX MARKET ANALYSIS**: A graphic with the text "MORE ACCURATE" and a person pointing at a screen.
- BREAKING NEWS**: A graphic with the text "Major Asia Pacific stock index down 2% following Federal Reserve's rate hike" and images of newspaper clippings.
- FOREX CURRENCY**: A list of major currencies: USD (UNITED STATES DOLLAR), CAD (CANADIAN DOLLAR), GBP (BRITISH POUND), EUR (EURO), and CHF (SWISS FRANC).
- FOREX TRADING**: A graphic showing a trading interface with various data points.
- TIME-FRAME**: A graphic showing different time intervals: 1 MINUTE, 5 MINUTE, 15 MINUTE, 30 MINUTE, 1 HOUR, 4 HOUR, 1 DAY, and 1 WEEK.
- YESTERDAY FOREX CURRENCY RESULT**: A graphic showing a table of currency results.

At the bottom of the collage, the website [www.equiti.com](http://www.equiti.com) and the phone number 0326-4193449 are listed.



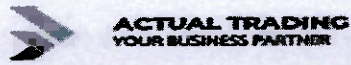
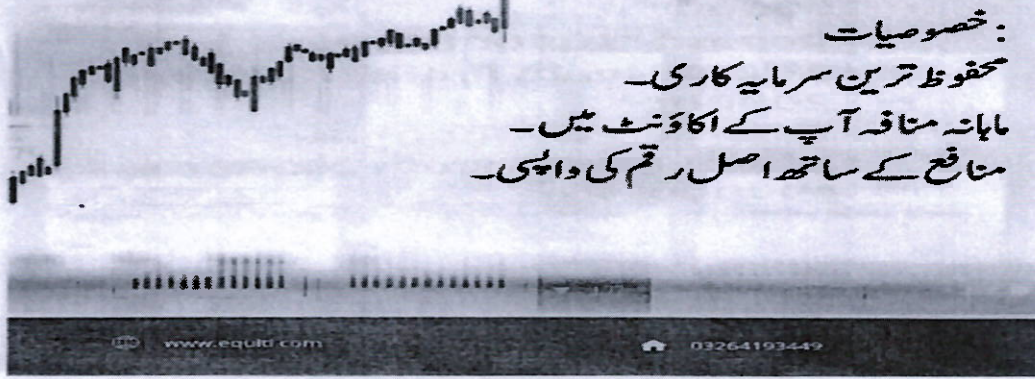
## SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Division  
Adjudication Department - II

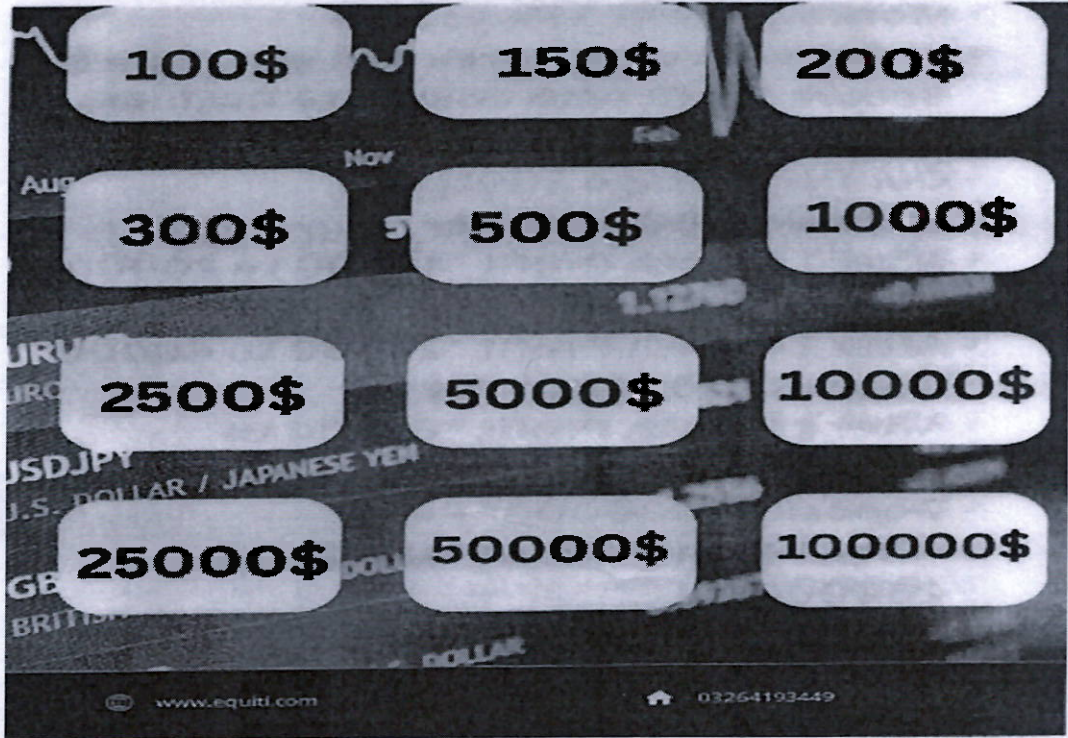


### BEST OPPORTUNITY:

Actual Trading company کے ساتھ انوسٹمنٹ کریں اور  
گھر بیٹھے ماہانہ 13% تا 20% پروفٹ کمانے کا شاندار موقع۔ کمپنی فارکیس  
ٹریڈنگ کر رہی ہے۔ فارکیس مارکیٹ میں 10 سال سے زیادہ کا تجربہ۔



### Investment Packages:



Li



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Division  
Adjudication Department - II



## Investment plan

- **Monthly profit 13% to 20%**
- **Invest with us in Forex and earn safe & Secure Profit with complete Business Guaranty**
- **Our Percentage Stretgy**
- **Deposit \*100000\* Pkr**
- **After 1 Month Profit \*13000 to 20000\***
- **Deposit \*200000\* Pkr**
- **After 1 Month Profit \*26000 to 40000\***
- **Deposit \*500000\* Pkr**
- **After 1 Month Profit \*65000 to 100000\***
- **Deposit \*1000000\* Pkr**
- **After 1 Month Profit \*130000 to 200000\***
- **Deposit \*2000000\* Pkr**
- **After 1 Month Profit 260000 to 400000\* Pkr**



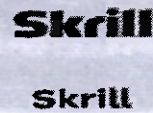
## Deposit Method:

### Meezan Bank

|                |                                  |
|----------------|----------------------------------|
| Account Title  | ACTUAL TRADING (SMC-PRIVATE) LTD |
| Bank Name      | Meezan Bank                      |
| Branch         | GARDEN TOWN LHR                  |
| Account Number | 02040106403575                   |

## Withdrawal Method:

Minimum withdrawal 30\$





# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Division  
Adjudication Department - II

ACTUAL TRADING  
YOUR BUSINESS PARTNER

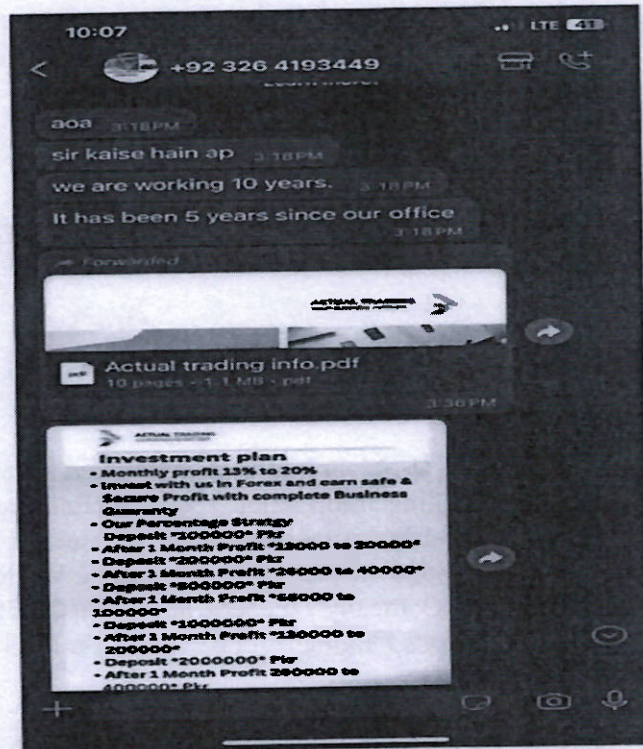
**STAY HOME & TRADE FOREX**

We Are world class forex trading company.  
Enjoy your life with forex trading.

www.equiti.com

03264193449

d) Screenshots of WhatsApp conversation with Company Representative from number mentioned on the promotional material:

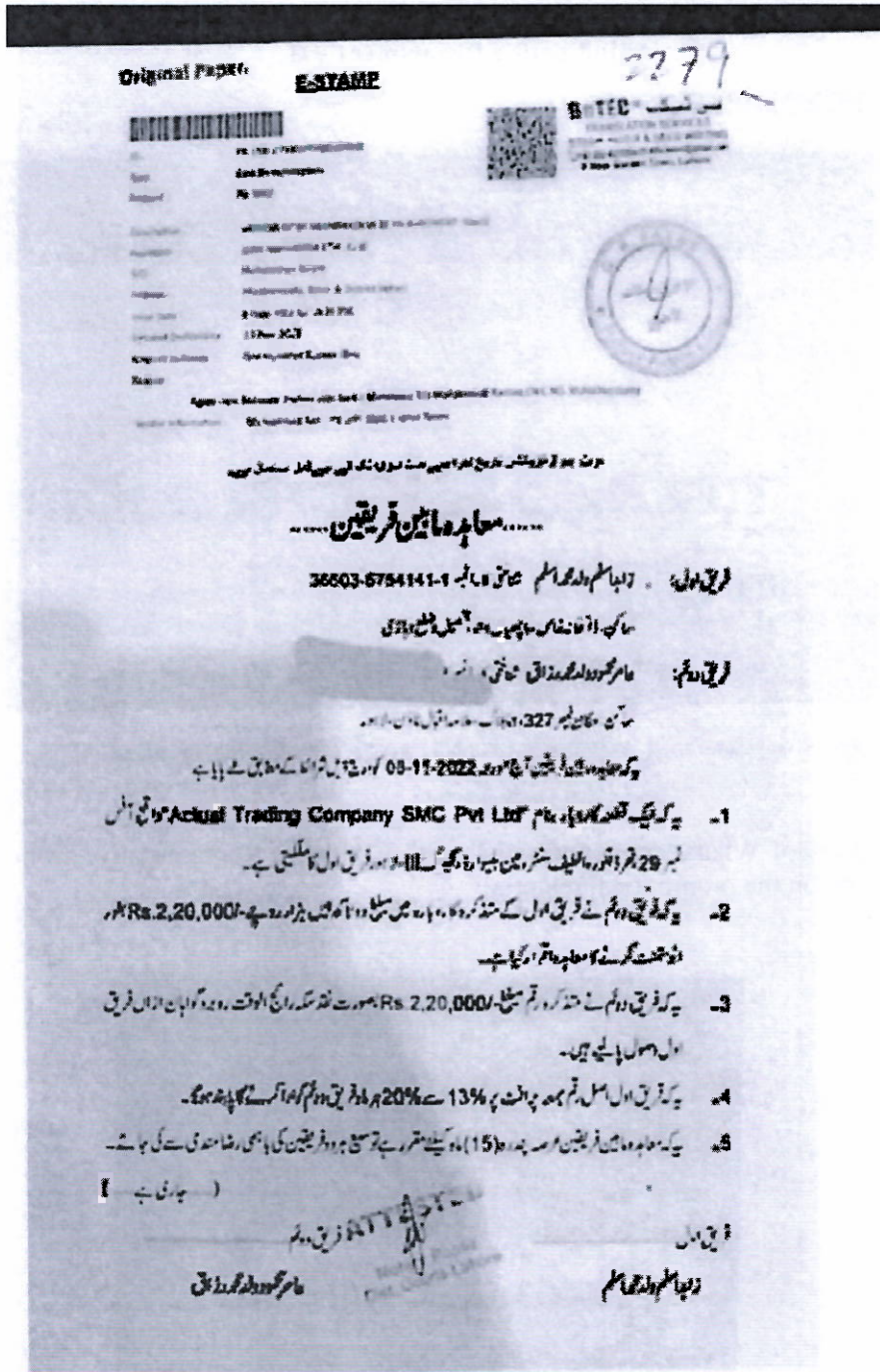




# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Division  
Adjudication Department - II

e) Copies of specimen agreements between Company and investor(s):



f) As an alternate procedure to obtain information, the Investigation team approached 36 banks and requested banking information about the Respondents. Resultantly, three bank accounts were found being maintained at the Meezan bank, among which one pertained to the Company and the rest two to its director. While reviewing the statement of bank account of the Company (account no: 0106403575), it was observed that numerous credit transactions ranging from Rs. 10,000 to Rs. 1,000,000 were made into



## SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

### Adjudication Division Adjudication Department - II

the Company's bank account via IBFTs from different individuals (investors). It was analyzed that 70% credit transactions in the said account were multiples of 5,000 and 10,000. The highest count seen was of Rs. 100,000 and Rs. 200,000.

- g) Credit and debit turnover in the said bank account from February 15, 2022 till September 13, 2023 (closure of account) is analyzed as follows:

| Transaction Type                       | Amount (Rs.) |
|--|--------------|
| Total Credits                          | 19,130,313   |
| Break-up: -Multiples of 5,000 & 10,000 | 14,005,000   |
| -Other Credits                         | 5,125,313    |
| Total Debits                           | 19,130,313   |
| Break-up: -Transfer to personal a/c    | 4,296,500    |
| -Cash withdrawals                      | 11,888,160   |

- h) Investment/deposits from the general public in the bank account of the Company is illustrated below:

| Deposits from General Public |       |                   |
|------------------------------|-------|-------------------|
| Denomination                 | Count | Total (Rs.)       |
| 10,000                       | 1     | 10,000            |
| 15,000                       | 2     | 30,000            |
| 25,000                       | 3     | 75,000            |
| 30,000                       | 5     | 150,000           |
| 40,000                       | 1     | 40,000            |
| 45,000                       | 2     | 90,000            |
| 50,000                       | 4     | 200,000           |
| 55,000                       | 2     | 110,000           |
| 60,000                       | 1     | 60,000            |
| 100,000                      | 12    | 1,200,000         |
| 105,000                      | 1     | 105,000           |
| 120,000                      | 1     | 120,000           |
| 125,000                      | 1     | 125,000           |
| 145,000                      | 1     | 145,000           |
| 150,000                      | 4     | 600,000           |
| 155,000                      | 1     | 155,000           |
| 180,000                      | 2     | 360,000           |
| 200,000                      | 12    | 2,400,000         |
| 230,000                      | 1     | 230,000           |
| 250,000                      | 6     | 1,500,000         |
| 300,000                      | 2     | 600,000           |
| 500,000                      | 3     | 1,500,000         |
| 900,000                      | 1     | 900,000           |
| 1,000,000                    | 2     | 2,000,000         |
| 1,300,000                    | 1     | 1,300,000         |
| <b>Total</b>                 |       | <b>14,005,000</b> |



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

## Adjudication Division Adjudication Department - II

- i) Moreover, a pattern was also observed wherein the amounts credited into the said accounts were subsequently being transferred to the director/CEO's personal bank account(s) or were withdrawn in cash, as can be seen in the table below:

| Amounts transferred to CEO's Personal Account |                  |
|---|------------------|
| Date  | Amount (Rs.)     |
| August 3, 2022                                | 200,000          |
| September 13, 2022                            | 505,000          |
| September 27, 2022                            | 141,000          |
| October 6, 2022                               | 44,500           |
| October 28, 2022                              | 125,000          |
| November 1, 2022                              | 222,000          |
| November 26, 2022                             | 89,000           |
| December 29, 2022                             | 200,000          |
| March 9, 2023                                 | 700,000          |
| June 1, 2023                                  | 1,600,000        |
| September 8, 2023                             | 470,000          |
| <b>Total</b>                                  | <b>4,296,500</b> |

- j) On analysis of the Company's bank accounts at Meezan Bank, the Investigation Team obtained details of counter parties (individuals who had made deposits with the Company). The investigation team issued notices to a number of depositors to appear before the Investigation Team to record their statements, however, no one appeared. Upon questioning one of the depositors on the telephone about nature of the amounts credited into the Company account, the individual informed that the deposit was made as an investment and the Company deals in forex investments and generates returns on the said investments. Moreover, the Company has also been providing returns on a monthly basis.
- k) To have the stance of the Company on the above findings, the Investigation team issued notices to the CEO/Director for recording of his statement on December 19, 2023 at SECP CRO Lahore. On the date of hearing, Mr. Muhammad Zahid Mughal ("*Counsel*") appeared on behalf of the CEO and informed that the CEO was unwell and could not attend the statement recording. Another statement recording was fixed for January 01, 2024 on the request of the Counsel for CEO/Director, however, no one appeared on the date of the statement recording. Third and final statement recording was fixed for January 16, 2024, however, no one appeared nor any request for adjournment was received.

12. From the foregoing, it is evident that:

- i. The Respondents were inviting deposits from public through offering different investment packages on the pretext of providing profits monthly profit ranging from 13% to 20% on investment of \$100 to \$100,000, in violation of section 26(2) and section 84(1) of the Act.



## SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

### Adjudication Division Adjudication Department - II

- ii. In order to gain public's confidence, the Respondents used Company's Registration Certificate on advertising and invitation material published on website/social media pages, misleading the public that their status/activity is duly approved by the Commission.
- iii. The Respondents have reportedly accepted deposit of at least **14 Million Pakistani Rupees** from public, out of which **4.2965 Million Pakistani Rupees** has been subsequently transferred to the personal bank account(s) of the CEO/Director or were withdrawn in cash.

13. In view of the foregoing and considering (a) advertisements published on website and social media for inviting public to deposit funds with the Company (b) non-submission of any response (c) non-representation by the Respondents despite delivery of SCN and reminders and (d) depriving the public of their hard-earned money amounting to at least **Rs. 14 Million Pakistani Rupees**, it is established that the Respondents were carrying on unlawful/prohibited business of inviting and accepting unauthorized deposits from the public in violation of sections 84(1), 26(2) of the Act read with clause 3 of MoA of the Company, which attracts the following penal provisions:

**84. Prohibition on acceptance of deposits from public. - (2) Where a company accepts or invites, or allows or causes any other person to accept or invite on its behalf, any deposit, the company shall be punishable-**

- (a) where such contravention relates to the acceptance of any deposit, with penalty which shall not be less than the amount of the deposit so accepted; and
- (b) where such contravention relates to the invitation for any deposit, shall be liable to a penalty of level 3 on the standard scale.

**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 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.**

**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.**

14. I, therefore, in exercise of the powers under sections 84(2), 500 and 502 of the Act, delegated to the undersigned vide S.R.O No. 1546(I)/2019, hereby impose penalties on the Company and its CEO/Director for carrying on unlawful/prohibited business of inviting unauthorized deposits from the public in violation of section 84(1) and 26(2) of the Act, in the following manner:



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

## Adjudication Division Adjudication Department - II

| Penalty                              |                  |                       |   |
|--------------------------------------|------------------|-----------------------|---|
| Imposed on                           | Amount (Rs.)     | Imposed under section | Description   |
| ACTUAL TRADING (SMC-PRIVATE) LIMITED | Rs. 14,005,000/- | 84(2)(a) of the Act.  | For acceptance of deposit of Rs. 14,005,000/- in violation of section 84(1) of the Act. |
| ACTUAL TRADING (SMC-PRIVATE) LIMITED | Rs. 5,000,000/-  | 84(2)(b) of the Act.  | For invitation of deposit in violation of section 84(1) of the Act.                     |
| ACTUAL TRADING (SMC-PRIVATE) LIMITED | Rs. 5,000,000/-  | 502 of the Act.       | For <i>ultravires</i> business in violation of section 26(2) of the Act.                |
| Mr. ZAHID ASLAM, CEO/DIRECTOR        | Rs. 10,000,000/- | 500 of the Act.       | For <i>ultravires</i> business in violation of section 26(2) of the Act.                |

15. In view of the foregoing, it is established that **Mr. Zahid Aslam, CNIC No. 36603-6754141-1 (CEO/Director of the Company)** was involved in illegal deposit-taking from the public, warranting his disqualification as envisaged under Section 172 of the Act, relevant provisions of which are reproduced below for ease of reference:-

*172. 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-*  
*(d) the business of the company in which he is or has been a director, has conducted to defraud its creditors, members or any other persons or for a fraudulent or unlawful purpose, or in a manner oppressive of any of its members or that the company was formed for any fraudulent or unlawful purpose; or*  
*(h) the person is involved in illegal deposit taking; or*  
*(o) that it is expedient in the public interest so to do.*

16. Therefore, I, in exercise of the powers under section 172 of the Act, delegated to the undersigned vide S.R.O. 129 (I)/2020, hereby disqualify **Mr. Zahid Aslam, CNIC No. 36603-6754141-1** from becoming a Director/Chief Executive of any company for a **period of 5 years from the date of this Order** under clause (d), (h) and (o) of the section 172(1) of the Act.

17. The Respondents are directed to deposit the aforesaid penalties in the account 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 and furnish Original Deposit Challan to this office.

18. This order is being issued without prejudice to any other action that the Commission may initiate against the Company in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.

(Hammad Javed)

HOD / Additional Director  
Adjudication II

Date of Order: December 20, 2024