



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Division  
Adjudication Department -II

BEFORE HEAD OF DEPARTMENT, ADJUDICATION DEPARTMENT-II

IN THE MATTER OF

**M/S LEVEL PRO TRADERS (PRIVATE) LIMITED**

Show Cause Notice	No. Adj-II/84/21/IAN-4006/Onsite/2023-701 dated July 7, 2023 No. Adj-II/172/46/IAN-4008/Onsite/2023-702 dated July 7, 2023	
Date on which hearing opportunity provided	Date	Attended by
	January 12, 2023	No one appeared to attend the hearing
	January 30, 2023	No one appeared to attend the hearing

**ORDER UNDER SECTIONS 84(2), 172 AND 500 FOR VIOLATION OF SECTIONS 84(1) OF THE COMPANIES ACT, 2017**

The Securities and Exchange Commission of Pakistan (the 'Commission') issued the following show cause notices (the 'SCNs') to M/s Level Pro Traders (Private) Limited (the 'Company') having correspondence address at Mobile Shop No. 1, Near Café Sarfaraz Mama Hotel, Baldia Town, Karachi and its directors Mr. Imran Khan and Mr. Fazal Malik (collectively referred to as the 'Respondents') under section 84(2), 172 and 500, respectively for carrying on unlawful/prohibited business of raising deposits from the public, *prima facie*, in violation of section 26(2) and 84(1) of the Companies Act 2017 ('Act'):-

SCN # Date	issued to	Under section	For alleged violation of
Adj-II/84/21/IAN-4006/Onsite/2023-701 dated July 7, 2023	M/S Level Pro Traders (Private) Limited	84(2) of the Act	Section 84(1) of the Act
Adj-II/84/21/IAN-4006/Onsite/2023-701 dated July 7, 2023	Directors of the Company namely: (i) Mr. Imran Khan, and (ii) Mr. Fazal Malik	500 of the Act	Section 26(2) of the Act
Adj-II/172/46/IAN-4008/Onsite/2023-702 dated July 7, 2023		172(1) of the Act	Section 84(1) and 26(2) of the Act

2. The Company was registered with the Commission on December 24, 2020 under the 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 products 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, semi government or any local authority, as permissible under law but will not undertake MLM business or akin to that."*

3. The authorized and paid-up capital of the Company is Rs100,000. The particulars of sponsors and directors of the Company are as under:

Name	CNIC	Designation	No. of shares %age
Mr. Imran Khan	42401-2282854-1	CEO/Director	800 (80%)
Mr. Fazal Malik	42401-6088334-1,	Director	200 (20%)

4. In terms of clause 3 (iii) of MoA, the Company, its Chief Executive and Directors ('Respondents') are restricted from indulging in banking, non-banking finance, stock brokerage business, etc.:

*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.*

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

*engage in any of the business mentioned in sub-clause (iii) above or any unlawful operation; launch multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities/businesses or any lottery business; 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.*

6. The facts leading to issuance of the SCNs were that during social media monitoring it was observed that the Respondents were offering various investment plans to the public with guaranteed return on investments claiming that they invest money in (forex and stock trading) business to generate return which is distributed amongst investors. The Commission vide order dated December 21, 2022 investigated into affairs of the Company under Section 256 of the Act. The investigation team reported that the Respondents were engaged in the prohibited and unlawful business of raising deposits from the public on the pretext of providing heavy return on investment, *prima facie*, in violation of sections 84(1) and 26(2) of the Act read with clause 3 of MoA of the Company.

7. Accordingly, the SCNs were issued on July 7, 2023 to the Respondents calling upon them to furnish submissions in writing to explain within ten (10) days of the date of the SCNs, as to why penalty may not be imposed on

- (i) **Level Pro Traders (Private) Limited** under section 84(2) of the Act, for alleged violation of section 84(1) of the Act.
- (ii) **Each Director of the Company**, under section 500 of the Act, for alleged violation of section 26(2) of the Act and disqualification order for a period of up to five years under section 172 of the Act may not be passed against each director of the Company.

8. Further, the Respondents were advised to inform if they wanted to avail an opportunity of being heard in person or through authorized representative(s).

9. The Respondents neither furnished any written response to the SCNs nor submitted any request for availing opportunity of being heard. The Respondents were again advised vide reminders dated January 3, 2024 and January 19, 2024 to submit written response to the SCNs. Two hearing opportunities were provided to the Respondents on January 12 and January 30, 2024. The SCNs and hearing notices/reminders were sent at correspondence address of the Company as well as at available residential addresses of directors the Company, which were returned back as undelivered. While, the hearing notices along with copies of the SCNs were delivered at email [imran.awan80@yahoo.com](mailto:imran.awan80@yahoo.com). It is pertinent to mention here that the Respondents were informed vide the reminders/hearing notices/emails dated January 8, 2024 and January 29, 2024 that the matter would 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, despite delivery of SCNs and hearing notices through email.

10. Regarding service of SCN and reminders, section 53 of the Act provides “*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.*”

11. It is evident from the foregoing that the Respondents were provided multiple opportunities to explain their position in writing as well as verbally with regard to allegedly carrying on prohibited and unlawful business of inviting and accepting unauthorized deposits from the public. The Respondents opted not to explain/defend their position despite service/delivery of SCN and reminders through email. Accordingly, the proceedings are being concluded, considering the material available on record.

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

- (i) In terms of section 84 of the Act, all companies excluding banking companies and such other companies or class of companies as the Commission may notify in this behalf are prohibited from inviting, accepting or renewing deposits from the public. Further, the term deposit has also been defined in section 84 of the Act as any amount accepted or borrowed by a company other than 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. Section 84 of the Act is reproduced below for ease of reference:

**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 not only prohibited under the Act but also under the Banking Companies Ordinance, 1962. 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.

13. It is evident from the foregoing that except a banking company and class of companies notified in this regard by the Commission a company is not authorized to invite and accept deposit for the public. Further, the term “deposit” has also been explained in section 84 of the Act.

14. In order to arrive at decision i.e. whether or not the Respondents have committed violation of section 26 (2) and 84(1) of the Act, I have gone through the facts of the case, documents available with the Commission, which revealed that: -

(i) During social media monitoring, it was observed that the Respondents were offering various investment plans to the public with guaranteed return on investments ranging from Rs 16,000 to Rs100,000 claiming that they invest money in (forex and stock trading) business to generate return which is distributed amongst investors.

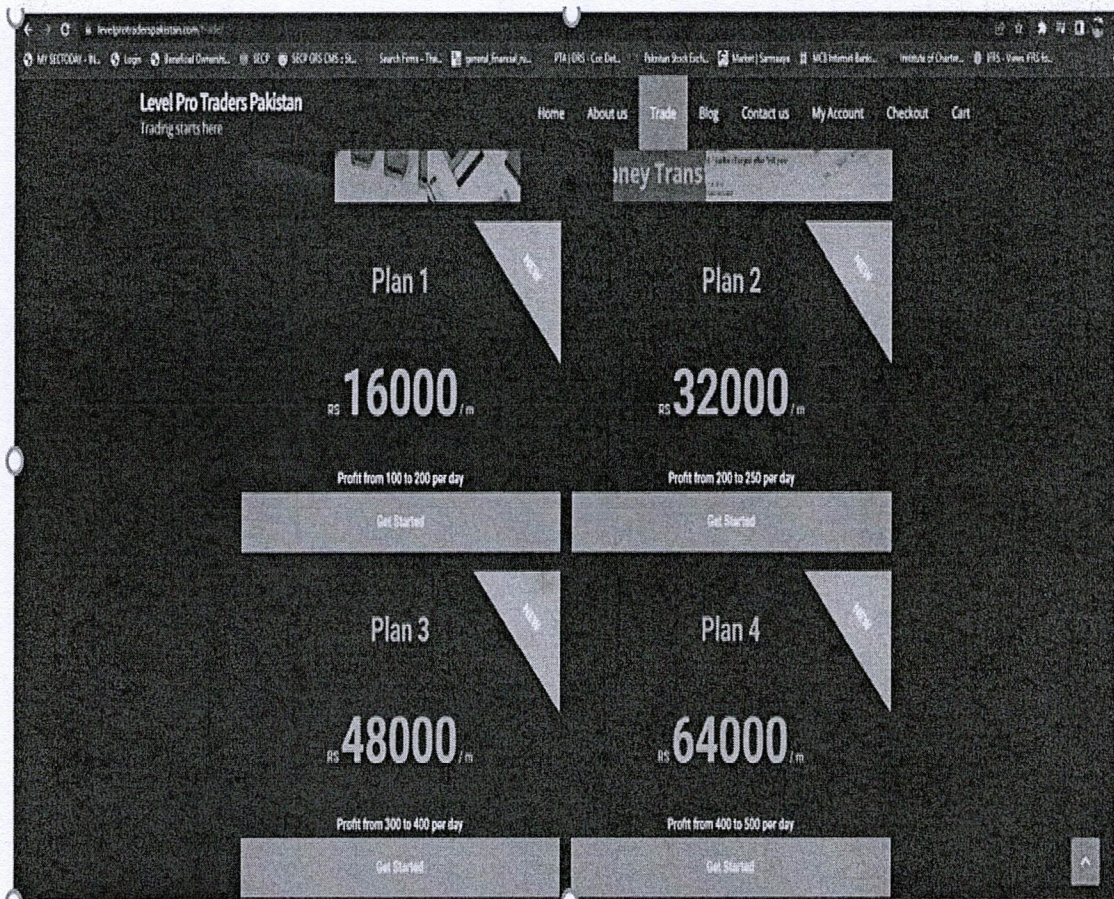
(ii) The concerned Registrar vide letter dated April 15, 2022 sought comments from the Company under section 254(1) of the Act, but, the Company failed to furnish any reply/information/clarification in the matter. The Commission vide order dated December 21, 2022 investigated into affairs of the Company under Section 256 of the Act.

(iii) The investigation team noted that the Company has not communicated its registered office address to the Commission. The only address available with the Commission is the correspondence address provided in the incorporation documents. On December 28, 2022, the investigation team visited correspondence address of the Company reported to be located at Mobile Shop No. 1 near Café Sarfaraz Mama Hotel, Baldia Town, Karachi but did not find office of the Company at said address.

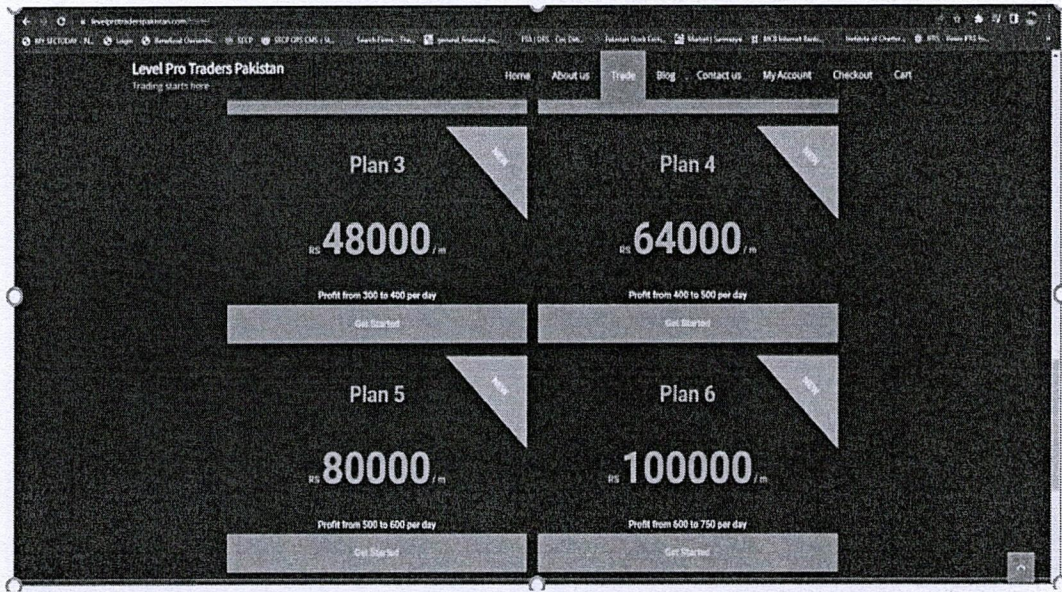
(iv) The investigation team also visited the address given on promotional material of the Company i.e. Muslim Commercial Street, No.2 159-N Khayaban-e-Ittehad Road DHA, Phase 6, Karachi, but said premise was in use of “Shabbir Paint & Hardware”.

(v) The Investigation team sent notices at the correspondence address of the Company as well as at the addresses appearing on the CNICs of directors of the Company with the directive to appear before the Investigation team on December 29, 2022, January 17, 2023 and January 31, 2023, for recording of their statements However, all the letters were returned as undelivered. Thereafter, notice was delivered through email provided in the incorporation document. However, no one appeared before the investigation team nor any response was received.

- (vi) During social media monitoring, it was noticed that Company was maintaining a website with URL <https://levelprotraderspakistan.com>. Before initiation the under-reference investigation, the Commission requested Pakistan Telecommunication Authority for blocking the website and social media pages of the Company. The investigation team reported that the website was not functional during investigation's proceedings.
- (vii) The screenshots of the website taken during surveillance of social media show that the Respondents were offering various investment plans to the public which guaranteed daily return on investments ranging from Rs16,000 to Rs100,000. Further personal bank account of Mr. Imran Khan, one of the directors of the Company, was being used to solicit deposits from the public. A few advertisements materials/pages extracted from website/social media pages of the Company are pasted below: -



*(Handwritten signature)*



**Level Pro Traders Pakistan**  
Trading starts here

Home About us Trade Blog Contact us My Account

Thank you. Your order has been received.

ORDER NUMBER:	DATE:	EMAIL:	TOTAL:	PAYMENT METHOD:
231	April 12, 2022	levelpro@gmail.com	Rs16000	Direct bank transfer

kindly WhatsApp the screen shot

## Our bank details

**IMRAN KHAN:**

BANK:	ACCOUNT NUMBER:	IBAN:
Meezan Bank	99610103575276	PK22MEZN0099610103575276

## Order details





**1st REGISTER**  
 Trading Company of  
**PAKISTAN**




**CEO: IMRAN KHAN**  
 0300-2727694 , 021-5149559  
<http://www.easywayforex.com>  
 ☑ <http://www.facebook.com/zain4896>  
 ☑ 1st, Floor, C-34, Street #2, Muslim  
 Commercial, DHA Phase-VI, Karachi.

  
**Import Export**  
 Cars Spares Parts  
 Home Appliance  
 Pakistan Stock  
 Exchange  
 • Properties


**WITH BANK SUBETY CHECK**

English Medium  
 Abdul Ahad  
 0311-9546045 , 0332-6352522  
 ☑ Near Faram Stop Sawabi Road  
 Zeshan Plaza Mardan.

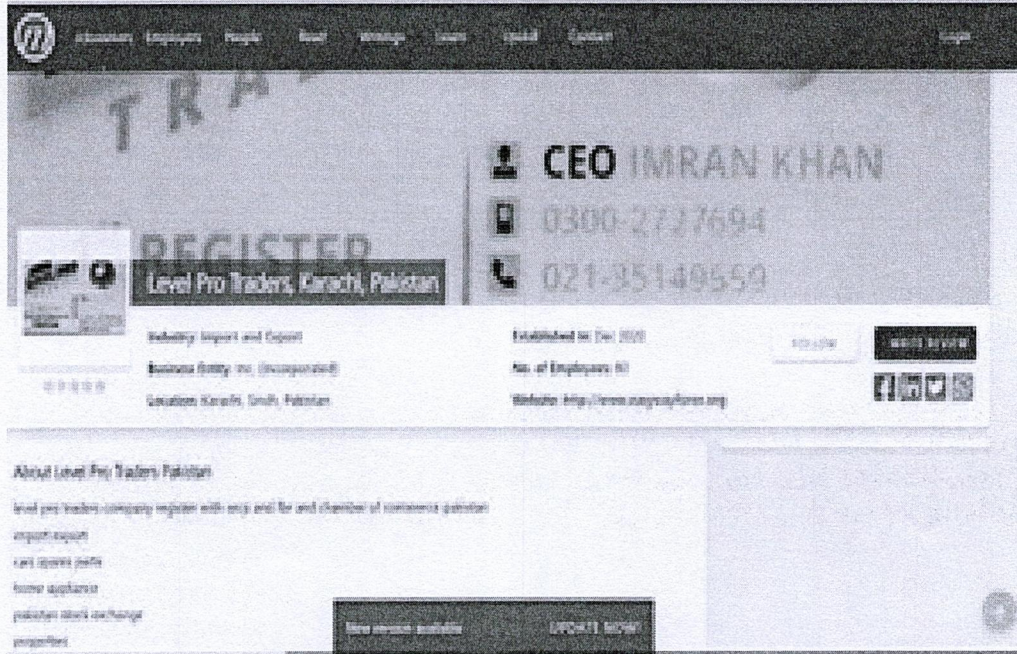
**LEVEL PRO**  
**PSX, CARS**  
**PROPERTIES**



**1<sup>st</sup> REGISTER**  
 Trading Company of  
**PAKISTAN**



☑ **CEO IMRAN KHAN**  
 ☑ 0300-2727694  
 ☑ 021-5149559  
 ☑ 1<sup>st</sup>, Floor, C-34, Street # 2,  
 Muslim Commercial, DHA,  
 Phase-VI, Karachi.



EASY WAY FOREX level pro traders pakistan

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بسم الله الرحمن الرحيم  
اسلام علیکم

الحمد لله پورا ایک سال مکمل ہوا

LEVEL PRO TRADERS PAKISTAN

کمپنی روزانہ کی بنیاد پر پروفٹ فراہم کرتی ہے  
پہلی رجسٹرڈ ٹریڈنگ کمپنی پاکستان کی ہے  
خبردار ہمارے پیکیجز لینے سے پہلے ضرور ریسرچ کریں اور جب آپ کو بھروسہ  
اور اعتماد ہو تو آپ ہمیں join کریں

Import export

Cars engines tyres

Home appliance

Psx

Properties

Register with

Secp FBR chamber of commerce Pakistan

Address

Dha phase 6 Muslim commercial karachi

Office number

02135149559

03002727694

www.levelprotraderspakistan.com

(viii) The investigation team sought information from the scheduled banks in Pakistan. The investigation team after analyzing the said information noticed that:-

a. No bank account has been opened in name of the Company. However, the directors of the Company were maintaining the following bank accounts in their own names

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and in the name of an unincorporated entity namely Level Pro Traders, owned by Chief Executive Officer of the Company:

Bank Name	Account Number	Account Title	Aggregate Credit Turnover (Rs.)	Statement Period
Dubai Islamic Bank	0717350002	Level Pro Traders	17,801,428	01-Nov-2021 to 13-Jan 2023
Meezan Bank	0102546144	Fazal Malik	13,831,257	01-Jan-2022 to 23-Jan-2023
Habib Metro	6-99-27-29314-714-108642	Fazal Malik	8,548,956.92	11-Aug-2021 to 16-Jan-2023
Allied Bank	0010087758390013	Fazal Malik	708,222	3-Dec-2021 to 30-Nov-2022
Meezan Bank	0103575276	Imran Khan	13,516,037.32	01-Jan-2022 to 31-Dec-2022
Bank Islami	113200281180001	Imran Khan	14,977,289.50	01-Jan-2021 to 16-Jan-2023
United Bank Limited	277734332	Imran Khan	32,544,194	02-Sep-2021 to 17-Jan-2023
Dubai Islamic Bank	0717350001	Imran Khan	23,134,979.22	01-Aug-2021 to 13-Jan-2023
Soneri Bank	20008999137	Imran Khan	8,315,357.78	27-Aug-2021 to 14-Jan-2023

- b. The aggregate credit turnover in these accounts as depicted above mostly relates to the transactions whereby amounts were revolved/moved from one bank account to the other of the two directors and the sole-proprietary bank account of the director.
- c. The Respondents invited deposit form public through social media pages/website and bank account of Mr. Imran Khan, Chief Executive of the Company was mentioned on said invitation material.
- d. Since, no complaints have been received against the Company or its directors nor any other evidence has been made available with regards to illegal deposit taking, therefore, it cannot be said with certainty that such amounts relate to illegal deposit taking by the Company or any of its directors.

(ix) As per the investigation report, no complaint was found on record against the Company

15. Considering the foregoing the investigation team reported that as per available information the Respondents *prima facie* in violation 84 and 26 of the Act placed advertisements on Company's website for inviting the public to invest money in various investment schemes being offered by them.

**Overall Decision: -**

16. It is evident from above-given/pasted deposit invitation material that the Respondents invited deposit from public with the claim that "Level Pro Traders is 1<sup>st</sup> registered Trading Company of Pakistan and it distributes profit to the investors on daily basis". Level Pro Traders is an unincorporated entity owned by Imran Khan, Chief Executive Officer and Director of Level Pro Traders (Private) Limited. Further bank account of Mr. Imran Khan, Chief Executive of the Company, maintained with Meezan Bank Limited was mentioned on said deposit invitation material.

17. In view of the foregoing and investigation findings including evidence of deposit invitation contained in the Investigation Reports as well as pasted above, it is established that the Respondents were carrying on prohibited business of inviting deposits from public in violation of sections 84(1) and 26(2) of the Act read with clause 3 of MOA of the Company. However as per investigation report no bank account was opened in name of the Company and no evidence of acceptance of deposits by the Company is available on record hence the general public has not been deprived of any funds. The violation of section 84(1) and 26(2) attract penal provisions of sections 84(2) and 500 of the Act against the Company, its directors and disqualification of director of the Company under section 172 of the Act, which provide as under:

**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.*

**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.*

**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.*

18. I, therefore, in exercise of the powers under sections 84(2) and 500 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 directors for carrying on unlawful/prohibited business of inviting unauthorized deposits from the public in violation of section 84(1) and section 26(2) of the Act:

Penalty			
Imposed on	Amount (Rs.)	Imposed under section	Description
M/s Level Pro Traders (Private) Limited	100,000	84(2)(b) of the Act	For invitation of deposit in violation of section 84(1) of the Act.
Mr. Imran Khan CNIC # 42401-2282854-1 Chief Executive Officer/ Director,	80,000	500 of the Act	For violation of section 26 of the Act

M/s Level Pro Traders (Private) Limited			
Mr. Fazal Malik CNIC # 42401-6088334-1 Director, M/s Level Pro Traders (Private) Limited	20,000	500 of the Act	For violation of section 26 of the Act

19. Further 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. Imran Khan CNIC # 42401-2282854-1 and Mr. Fazal Malik CNIC # 42401-6088334-1 from becoming a director/chief executive of any company for a period of 5 years from the date of this Order under (o) of the section 172(1) of the Act, in public interest as the they have been found indulged in inviting deposits from public in violation of sections 84(1) and 26(2) of the Act.

20. **M/s Level Pro Traders (Private) Limited** (through its Chief Executive Officer) and its directors are directed to deposit the aforesaid penalty in the account of the Commission being maintained in the designated branches of MCB Bank Limited and United Bank Limited within 30 days of the receipt of this Order and furnish Original Deposit Challan to this office.

21. This Order is being issued without prejudice to any other proceedings or action that the Commission, National Accountability Bureau, Federal Investigation Agency or any other authority, bureau, agency or institution may initiate, in accordance with relevant provisions of law, against the Respondents or any other officer in respect of unlawful/illegal deposit taking activities undertaken by them.



(Muhammad Farooq)  
Head of Department/  
Additional director  
Adjudication II Department

**Date of Order: February 29, 2024**