



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- II

Adjudication Division

**BEFORE**

**HAMMAD JAVED, ADDITIONAL DIRECTOR / HEAD OF DEPARTMENT  
(ADJUDICATION DEPARTMENT – II)**

**IN THE MATTER OF**

- 1. M/S. OSIS SERVICES (PRIVATE) LIMITED THROUGH ITS CHIEF EXECUTIVE;**
- 2. MR. OWAIS SOHAIL, CNIC # 42201-7414127-5, CHIEF EXECUTIVE OFFICER AND DIRECTOR, OSIS SERVICES (PRIVATE) LIMITED;**
- 3. MR. MUHAMMAD IMRAN, CNIC # 35202-3652664-7, DIRECTOR, OSIS SERVICES (PRIVATE) LIMITED**

**ORDER UNDER SECTIONS 84(2), 172 AND 500 FOR VIOLATION OF SECTIONS 84(1) AND 26(2) OF THE COMPANIES ACT, 2017**

<b>Show Cause Notices</b>	No. Adj-II/84/30/IAN-71/L&ULCD/2023-24 – 1215 dated December 14, 2023	
<b>Date on which hearing opportunity provided</b>	<b>Date</b>	<b>Attended by</b>
	December 26, 2023	No one appeared to attend the hearing
	February 26, 2024	
	March 19, 2024	
April 29, 2024		

The Securities and Exchange Commission of Pakistan (the '*Commission*') issued the following Show Cause Notice (the '*SCN*') to M/s OSIS Services (Private) Limited (the '*Company*') and its Directors (collectively referred to as the '*Respondents*') under sections 84(2) and 172 and 500 of the Companies Act, 2017 (the '*Act*') for carrying on unlawful/prohibited business of inviting unauthorized deposits from the public, *prima facie*, in violation of sections 84(1) and) 26(2) of the Act:

<b>SCN # Date</b>	<b>Issued to</b>	<b>Under section</b>	<b>For alleged violation of</b>
No. Adj-II/84/30/IAN-71/L&ULCD/2023-24 – 1215 dated December 14, 2023	M/s OSIS Services (Private) Limited	84(2) of the Act	Section 84(1) of the Act
No. Adj-II/84/30/IAN-71/L&ULCD/2023-24 – 1215 dated December 14, 2023	Directors of the Company namely Mr. Owais Sohail and Mr. Muhammad Imran	500 of the Act	Section 26(2) of the Act
No. Adj-II/84/30/IAN-71/L&ULCD/2023-24 – 1215 dated December 14, 2023		172(1) of the Act	Section 84(1) and 26(2) of the Act



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2. The Company was incorporated with the Commission on September 02, 2021 under the Act. The paid-up capital of the Company is Rs.100,000 divided into 1,000 shares of Rs.100 each. The sponsors and directors of the Company are as under:

Name of Shareholder	Designation	No. of Shares Held	%age Shareholding
Muhammad Imran	Director	400	40%
Owais Sohail	Director & Chief Executive Officer	600	60%
Total		1,000	100%

3. 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 material management, event management, disaster response services, canteen and cafeteria services, janitorial services, fumigation, import, export; and to set up, establish, run and manage family entertainment centers that are par with international amusement complexes that offer state of the art equipment and machines including thrilling attraction rides, video arcade games, redemption games, novelty prize machines and kiddie rides".*

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

- engage in any business in subclause (iii) of the above or any unlawful operation*
- launch multi-level marketing (MLM), Pyramid and Ponzi schemes, or other related activities/business or any lottery business*
- engage in any 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."*

5. The facts leading to the issuance of the SCN are that based on social media monitoring activity conducted by Supervision Division of the Commission, it was observed that the Company and its directors were inviting investments/ deposits from public through internet/social media (Facebook page), on the pretext of guaranteed return/profit of 4%-12%.

6. In order to ascertain factual position, the Commission vide order dated January 25, 2022 investigated into the affairs the Company under Section 256 of the Act. The investigation team in the Investigation Report dated March 21, 2023 concluded that the Respondents were engaged in the prohibited and unlawful business of inviting unauthorized deposits from the public on the pretext of providing profits *prima facie*, in violation of sections 84(1) and 26(2) of the Act, read with clause 3 of the MoA of the Company.

7. Accordingly, the SCN dated December 14, 2023 was issued to the Respondents calling upon them to furnish submissions in writing to explain within ten (10) days of the date of the SCN, as to why:

- Penalty may not be imposed on **M/s OSIS Services (Private) Limited** under section 84(2) of the Act, for alleged violation of section 84(1) of the Act.



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- (ii) Penalty may not be imposed on each Director of the Company, under section 500 of the Act, for alleged violation of section 26(2) of the Act, and
- (iii) 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 SCN nor submitted any request for availing opportunity of being heard. The Respondents were again advised vide reminder dated February 9, 2024 in reply where to, Mr. Amjad Javed, the authorized representative on behalf of the Company requested for adjournment of hearing vide email dated February 26, 2024 which was provided to the Company vide notice dated March 7, 2024 for hearing to be held on March 19, 2024, however, no one appeared on the hearing. Further, a final hearing opportunity was provided to the Respondents vide notice dated April 5, 2024 but again, no one appeared on the hearing. Hearings in the matter were scheduled on December 26, 2024, February 26, 2024, March 19, 2024 and April 29, 2024. The Respondents neither submitted any written reply to the SCN till date nor attended the hearings as scheduled above.

10. With regard to delivery status of the SCN/reminders it is stated that the SCN dated December 14, 2023 as well as reminder dated February 9, 2024, adjournment hearing notice dated March 7, 2024 and a final hearing notice dated April 5, 2024 were sent at the registered office of the Company and residential addresses of the Chief Executive/Directors of the Company. In reply to the reminder dated February 9, 2024, Mr. Amjad Javed submitted an authority letter on behalf of the CEO of the Company and requested for adjournment of the hearing (vide email dated February 26, 2024); this shows that the respondents had received the SCN's and the hearing notices and were aware of the proceedings initiated by the Commission.

11. With regard to 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.*"

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

**Issue to be determined:**

13. It was alleged in the instant SCN that the Respondents were involved in the invitation of unauthorized deposits from general public, *prima facie*, in violation of sections 26(2) and 84(1) of the Act and its MoA. In order to arrive at decision, I have gone through the facts of the case, record of the Company, documents available with the Commission including findings of the investigation team and relevant provisions of law. Before analyzing the allegations, it seems appropriate to discuss the relevant provisions of law on the subject-matter and reproduce the same hereunder:



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### Legal Framework:

14. In terms of section 84(1) 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.*

15. 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. 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 invitation/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."*

16. 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.

### Analysis of the issue:

17. The Investigation team in the Investigation Report dated March 21, 2023 reported that: -

- a) A social media (Facebook) page was being maintained and operated in the name of OSIS Services (Private) Limited at URL: <https://www.facebook.com/osis.services/>.





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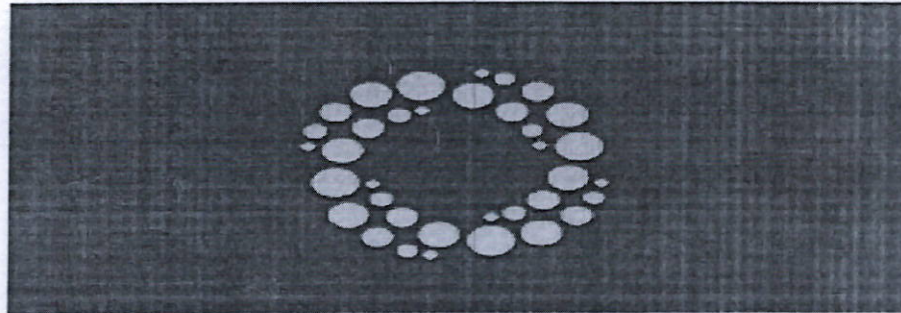
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(Snapshot-3)



## Coronavirus (COVID-19) update from OSIS Services Pvt. Ltd

Due to coronavirus (COVID-19), we've made changes to some of our policies, which may affect the services we provide.



## OSIS Services Pvt. Ltd



★ 4.4 (7) · \$ · Real Estate Investment Firm

Always open



Like

WhatsApp

2,383 people like this

(Snapshot-4)



## OSIS Services Private Limited

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Dear investor  
OSIS service offering best investment options  
profit rate of investment 8% to 10%  
minimum investment amount is 100k and  
maximum unlimited  
above then 500k company give you free Health  
insurance card  
pure halal investment  
if you interested share your contact number.

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(Snapshot-5)

**OSIS Services (Pvt) Ltd**  
Profit sheet as per investment  
our monthly profit rate is 10% to 15%  
plus Free Life Insurance on investment  
written Agreement  
Note: Kindly Before Apply for investment information Read Ad carefully

**01**  
**Investment starting from minimum 5 Lac**  
Can they profit on investment 2% to 15 percent  
40,000 To 50,000  
Risk Amount 20%  
Service Area 50%

**02**  
**Investment starting from 10 Lac**  
Monthly profit on 10 Lac is 80,000/  
To 120,000/ Profit rate is 10% to 12%  
Risk Amount is 30%  
Secure Amount 70%  
Profit 100% to 200%  
Amount available 10,00,000 to 120,00,000

**03**  
**Life Insurance**  
Ankari takaful emaranah  
that insurance study for investors  
insurance depends on investment

**04**  
**Documents**  
Insurance Fee  
agreements on stamp  
account opening for us  
Investment will be deposited in  
OSIS Services Pvt Ltd company  
bank account  
No Cash

- c) One of the officials of the Commission contacted over the numbers provided on the social media posts via WhatsApp. In the conversation the Company claimed that they had "real estate investment plans" and refused to provide further information on text messages and insisted on a telephone call.
- d) The contact number provided in the social media posts and used for the aforesaid conversation, was one of the of Directors of the Company. This fact was accepted by the Respondents during recording of personal statements, but they denied their involvement in operating the said page.
- e) The Facebook page was apparently deleted from the social media website with effect from February 22, 2023 i.e. one day after recording of statements of the Directors.

18. In view of aforesaid the investigation team concluded that the Respondents were engaged in the prohibited and unlawful business of inviting unauthorized deposits from the public on the pretext of providing profits prima facie, in violation of sections 84(1) and 26(2) of the Act, read with clause 3 of the MoA of the Company.

### Decision:

19. The above-mentioned alleged violations warrant the following actions against the Respondents:

- (i) Action against the Company under sections 84(2) of the Act, which provides 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



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(b) where such contravention relates to the invitation for any deposit, shall be liable to a penalty of level 3 on the standard scale.

(ii) **Action against the Chief Executive and Directors of the Company under section 172 and 500 of the Act**

**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.*

**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.*

20. In view of the foregoing and considering (a) the social media monitoring activity conducted by Offsite Department of the Commission (b) investigation team's findings, (c) advertising/invitation material published by the Respondents on social media pages/website, and (d) non-submission of written response by the Respondents coupled with non-attendance of hearings, it is established that the Respondents were carrying on unlawful/prohibited business of inviting unauthorized deposits from the 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 the investigation report no evidence of acceptance of deposits by the Company is available on record hence the general public has not been deprived of any funds.

21. 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 Chief Executive/Director for carrying on unlawful/prohibited business of inviting unauthorized deposits from the public in violation of section 84(1) of the Act:

Imposed on	Penalty		Description
	Amount (Rs.)	Imposed under section	
M/s OSIS Services (Private) Limited	1,000,000	84(2)(b) of the Act.	For invitation of deposit in violation of section 84(1) of the Act.
Mr. Owais Sohail CNIC # 42201-7414127-5 Chief Executive Officer/Director, OSIS Services (Private) Limited	500,000	500 of the Act.	For invitation of deposit in violation of section 26(2) of the Act.



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<b>Mr. Muhammad Imran</b> CNIC # 35202-3652664-7, Director, OSIS Services (Private) Limited	500,000	500 of the Act.	For invitation of deposit in violation of section 26(2) of the Act.
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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 24<sup>th</sup> February, 2020 hereby disqualify **Mr. Owais Sohail** holding CNIC # 42201-7414127-5 and **Mr. Muhammad Imran** holding CNIC # 35202-3652664-7, 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 Section 172(1) of the Act for inviting deposits in violation of sections 84(1) and 26(2) of the Act:

22. **M/s OSIS Services (Private) Limited** and its above-named **directors** are directed to deposit the aforesaid penalty 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.

23. 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.

(Hammad Javed)

**Additional Director / Head of Department  
Adjudication Department-II**

**Announced: June 13, 2024**