



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Division  
Adjudication Department-II

**Before Head of Department**

**In the matter of**

**APCO PARK ONE (PRIVATE) LIMITED**

**Order under Section 169 read with Sections 158 and 161 of the Companies Act, 2017**

Number and date of show-cause notice:	Adj-II/169/14/IAN-79/CRO-ISB/2023-24/233 dated December 19, 2023	
Date on which hearing opportunities provided and persons who attended the hearing	<b>Date of Hearing</b>	<b>Attended by</b>
	December 29, 2023	Mr. Fakhar Zaman, Manager Financial & Management Reporting

This order shall dispose of the proceedings initiated through Show Cause Notice Adj-II/169/14/IAN-79/CRO-ISB/2023-24/233 dated December 19, 2023 (the '**SCN**') issued to M/s APCO Park One (Private) Limited (the '**Company**'), its Chief Executive and Board of Directors (the '**Respondents**') by the Securities and Exchange Commission of Pakistan (the '**Commission**') under section 169 read with sections 158 and 161 of the Companies Act, 2017 (the '**Act**'). The Company is registered with the Commission as a private limited company having paid up capital of Rs. 100,000.

2. In terms of section 161 read with section 158(1) of the Act, elected directors of a company shall hold office for a period of three years and shall stand retired on expiry of the said term. Further, in terms of section 158(2) of the Act, the retiring directors shall continue to perform their functions until their successors are elected. The directors so continuing to perform their functions are required to take immediate steps to hold the election of directors, and in case of any impediment, report such circumstances to the registrar within forty-five days before the date of the annual general meeting or extra ordinary general meeting, as the case may be, in which elections are to be held. The relevant parts of section 158 and 161 of the Act are reproduced below for ease of reference:

**158. Retirement of first and subsequent directors.**— (1) All directors of the company—

(a) on the date of first annual general meeting; or

(b) in case of subsequent directors on expiry of term of office of directors mentioned in section 161,  
shall stand retired from office and the directors so retiring shall continue to perform their functions until their successors are elected.

(2) The directors so continuing to perform their functions shall take immediate steps to hold the election of directors and in case of any impediment report such circumstances to the registrar within forty-five days before the due date of the annual general meeting or extra ordinary general meeting, as the case may be, in which elections are to be held:

Provided that the holding of annual general meeting or extra ordinary general meeting, as the case may be, shall not be delayed for more than ninety days from the due date of the meeting or such extended time as may be allowed by the registrar, for reasons to be recorded, only in case of exceptional circumstances beyond the control of the directors, or in compliance of any order of the court.



## SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Division  
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**161. Term of office of directors.** — (1) A director elected under sections 159 or 162 shall hold office for a period of three years unless he earlier resigns, vacates office due to fresh election required under section 162 as the case may be, becomes disqualified from being a director or otherwise ceases to hold office:

3. The facts leading to the issuance of the SCN were that examination of the record of the Company revealed the following:

- a) The previous election of directors of the Company was held on October 28, 2019;
- b) The election of directors of the Company due on October 28, 2022, has been held on October 24, 2023 with delay of more than eleven (11) months and 24 days, *prima facie*, in violation of section 158 of the Act;
- c) The directors so continuing to perform their functions have failed to take immediate steps to hold the election of directors on due date, *prima facie*, in violation of section 158 of the Act.
- d) No impediment report, if any, has been filed with the concerned registrar, *prima facie*, in violation of section 158 of the Act.

4. Considering the *prima facie* violation of section 158 of the Act, the Respondents were issued SCN on December 19, 2023 calling upon them to submit their reply, in writing within ten (10) days of the date of the SCN, explaining as to why penalty may not be imposed under section 169 of the Act. Further, the Respondents were advised to attend the hearing scheduled on December 29, 2023.

5. Mr. Fakhar Zaman, Manager Financial & Management Reporting (the '**Authorized Representative**') vide letter dated December 28, 2023 submitted written reply to SCN. The Authorized Representative also attended hearing through Zoom on December 29, 2023. He requested that the delay in holding of election may kindly be condoned, in the interest of justice by taking leniency on the matter pertaining to penalties. The submissions made by the Authorized Representative in writing as well as verbally may be summarized as under: -

- a) *The election of the directors of the Company were due on October 28, 2022. The then, Manager Finance, who was responsible to manage affairs of the Company left the Company keeping the matters pending among other the communication with SECP with this respect.*
- b) *I joined the Company in December 2022, and noted that there were certain regulatory compliances remained pending. Upon assumption of responsibilities, corrective measures were taken and following filings and compliances were made:*
  - (i) *Holding annual general meeting and filing of Form-A & 29, and*
  - (ii) *Holding director's election and filing of Form-28*
- c) *Previous election of directors was held timely in 2019.*
- d) *We assure you that statutory provisions of law will be complied meticulously in future.*