



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

## Adjudication Department- I

### Adjudication Division

ORDER	
Name of Company:	Reliance Weaving Mills Limited
Number and date of Show Cause Notice:	CSD/ARN/154/2015-558 dated November 08, 2024
Respondents:	(i) Mr. Faisal Ahmed, CEO (Respondent No. 1); (ii) Mr. Fawad Ahmed Mukhtar, Director (Respondent No. 2); (iii) Mr. Abbas Mukhtar, Director (Respondent No. 3); (iv) Mr. Muhammad Mukhtar Sheikh, Director (Respondent No. 4); (v) Mrs. Fatima Fazal, Director (Respondent No. 5); (vi) Mr. Muhammad Shaukat, Director (Respondent No. 6); (vii) Mr. Shahid Aziz, Director (Respondent No. 7); and (viii) Mr. Waheed Ahmad, CFO (Respondent 8)
Date(s) of Hearing(s):	(i) December 16, 2024; and (ii) January 06, 2025;
Case Represented by:	Mr. Kamran Ahmad Awan (the Authorized Representative)
Provision of Law Involved:	Under Section 237 read with Section 479 of the Companies Act, 2017

This Order shall dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (**the Commission**), through Show Cause Notice No. CSD/ARN/154/2015-558 dated November 08, 2024 (**the SCN**) issued under Section 237 of the Companies Act, 2017 (**the Act**) read with Section 479 thereof and Circular No.11 dated August 11, 2023 (**Circular**), against the Board of Directors, Chief Executive Officer (CEO) and Chief Financial Officer (CFO), hereinafter collectively referred to as the **Respondents**, of Reliance Weaving Mills Limited (**the Company**).

2. The brief facts of the case are that from the perusal of relevant record, it transpired that the Company has filed/transmitted with the Registrar/Commission, its second Quarterly Financial Statements (QFS) with a delay of 32 days as detail provided hereunder:

Period Ended	Due on	Date of Filing/Transmission of QFS with the Registrar/Commission
December 31, 2023	February 29, 2024	April 01, 2024 (Delay-32 days)

3. The relevant provisions of the Act stipulate as under:

**"237. Quarterly financial statements of listed companies.** — 1) Every listed company shall prepare quarterly financial statements within a period of :-

- thirty days from the close of first and third quarters of its year of accounts; and
- sixty days from the close of its second quarter of its year of accounts.

2) The quarterly financial statements shall be posted on the company's website for the information of its members and also be transmitted electronically to the Commission, securities exchange and with the registrar within the period specified under sub-section (1).

4) If a company fails to comply with any of the requirements of this section, every director, including chief executive and chief financial officer of the company who has by his act or omission been the cause of such default shall be liable to a penalty of level 2 on the standard scale."

4. While taking cognizance of the matter, a SCN was issued to the Respondents. In response, the Company Secretary vide letter dated November 19, 2024 filed written response to the SCN, *inter alia*, stating the following:

- (i) The QFS for the second quarter ended on December 31, 2023 were prepared, reviewed by the auditors and approved by the board in their meeting held on February 28, 2024 within the prescribed period of sixty (60) days from the close of the second quarter.
- (ii) The financial statements were uploaded on the company's website and transmitted to PSX simultaneously.
- (iii) Despite repeated attempts, the same could not be submitted to SECP due to technical glitches in the eZfile system. Thereafter, the matter was discussed with Company Registration Office-Multan and it was suggested to transmit the financial statements manually.
- (iv) The delay in filing of second quarter financial statements as the same was not willful but due to technical glitches in the new system launched by the SECP. Further, they requested to condone it.

5. In order to provide an opportunity for personal representation, hearing in the matter was fixed for December 16, 2024. However, the Company vide a letter dated December 13, 2024 requested an adjournment. Consequently, another hearing notice dated January 01, 2025 was issued through which the hearing was re-fixed for January 06, 2025. Mr. Kamran Ahmad Awan, Company Secretary, appeared as the Authorized Representative on behalf of the Respondents (**the Representative**) and reiterated the written response submitted vide letter dated November 19, 2024.

6. The Company Secretary of the Company, vide letter dated January 9, 2025, submitted copy of letter dated April 19, 2024 addressed to CRO, Multan, stating therein that the Company was unable to file QFS through eZFile due to a system glitch which, despite numerous follow-ups, has not been resolved. The submission also included a copy of the paid bank challan. Furthermore, the Company Secretary requested condonation of the delay in filing QFS and assured that greater vigilance would be exercised to ensure compliance with regulatory requirements in future.

7. I have considered the facts of the case based on the relevant provisions of the Act, available record of Company, as well as the written and verbal submissions of the Representative, it is imperative to discuss the following elements:

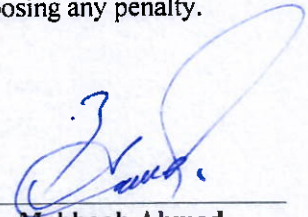
- (i) In terms of Section 237 of the Act, every company is required to file/transmit QFS within sixty days from the date of close of its second quarter of its year of accounts. QFS are crucial source of information for stakeholders/members. It provides timely insights into a company's financial performance and such information is essential for assessing the company's overall financial health.
- (ii) In order to ensure transparency, the Company is required to meticulously adhere to the provisions of Section 237 of the Act for timely filing/transmission of QFS and the Respondents, in any manner whatsoever, cannot absolve themselves from their statutory duties pertaining to afore-said section of the Act.
- (iii) The Company submitted a letter dated April 19, 2024, along with a copy of the paid bank challan, explaining the delay in filing the said QFS due to a system glitch, which

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**Order in the matter of Board of Directors (BoDs), CEO and CFO of  
M/s. Reliance Weaving Mills Limited, dated 30<sup>th</sup> of January, 2025**

necessitated manual filing. Further, the QFS were simultaneously transmitted to the Pakistan Stock Exchange (PSX) on February 29, 2024, through PUCAR and were also made available on the Company's website. Further, the Company has a compliance history.

8. In view of the above stated facts and considering the Company compliance history, I have concluded that the delay in filing the Company's QFS was caused by a system glitch and cannot be regarded as a default on the part of the Respondents. Considering the given circumstances, I, in the exercise of powers conferred under sub-section (4) of Section 237 of the Act, hereby conclude the proceedings initiated through the SCN against the Respondents, without imposing any penalty.



**Mahboob Ahmad**  
Additional Director/Head of Wing  
Adjudication Department – I  
Listed Companies Wing

**Announced:**  
January 30, 2025  
Islamabad

