



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

## Adjudication Department-I

### Adjudication Division

ORDER	
Name of Company:	M/s. Hum Network Limited
Show Cause Notice No. and Date:	CSD/ARN/180/2015-267 dated March 25, 2025
Noticee(s):	(i) Mr. Mazhar-ul-Haq Siddiqui, Chairman (ii) Ms. Sultana Siddiqui, Director (iii) Mrs. Mahtab Akbar Rashdi, Director (iv) Mr. Shunaid Qureshi, Director (v) Mr. Duraid Qureshi, CEO/Director (vi) Mr. Sohail Ansar, Director (vii) Mrs. Khush Bakht Shujat, Director (viii) Mr. Muhammad Ayub Younus Adhi, Director (ix) Mr. Muhammad Abbas Hussain, CFO
Date(s) of Hearing(s):	April 25, 2025
Case Represented by:	No one appeared.
Provision of Law Involved:	Section 237 of the Companies Act, 2017 read with Section 479 thereof and Circular No.11 of 2023 dated August 11, 2023
Order date:	May 05, 2025

This Order shall dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (the "Commission") through the Show Cause Notice No. CSD/ARN/180/2015-267 dated March 25, 2025 (the "SCN") against the Board of Directors (the "BOD"), Chief Executive Officer (the "CEO") and Chief Financial Officer (the "CFO") of M/s. Hum Network Limited (the "Company") hereinafter collectively referred to as the "Noticee(s)" under Section 237 read with Section 479 of the Companies Act, 2017 (the "Act") and Circular No.11 of 2023 dated August 11, 2023 (the "Circular").

2. The provisions of sub-section (1) of Section 237 of the Act requires all public listed companies to prepare its quarterly financial statements within thirty days of the close of their first and third quarters of their year of accounts and within sixty days of the close of their second quarter of their year of accounts.

3. The brief facts of the case are that the Company being public listed company was required to file/electronically transmit its first Quarterly Financial Statements (QFS) for the period ended September 30, 2024 with the Registrar/Commission, within thirty (30) days of the close of the said quarter i.e. latest by October 30, 2024. However, as per the relevant record of the Commission, it has been observed that the Company filed/transmitted the aforesaid QFS on December 10, 2024 with a delay of forty-one (41) days.

4. As per the requirements of the Circular, all listed companies are *inter alia* required to file their QFS through eService/eZfile of the Commission, and such filing is considered as compliance of Section 237(2) of the Act with respect to filing/transmission of QFS to the Registrar/Commission. The relevant provisions of law are reproduced hereunder:

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

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

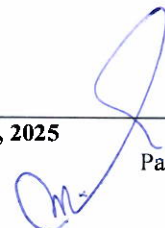
*(2) The quarterly financial statements shall be posted on the company's website for the information of its members and also be transmitted electronically to the Commission, securities exchange and with the registrar within the period specified under sub-section (1).*

*(3).....*

*(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."*

5. Taking cognizance of the non-compliance of the requirements of law, a SCN was served upon the Noticee(s) on March 25, 2025 to show the cause in writing as to why a penal action may not be taken against them for non-compliance of the requirements of Section 237 of the Act read with the Circular. However, Mr. Mohsin Naeem, Company Secretary (Authorized Representative) on behalf of the Noticee(s), submitted response to SCN vide email dated April 24, 2025 and attached therewith letter dated April 16, 2025, wherein "inter alia" following has been stated:

- i. At the outset, we apologies for not responding the SCN in timely manner due to an erroneous dispatch problem and sincerely regret this lapse.
- ii. The Noticee(s) reiterate their sincere apologies for this instance of non-compliance and assure you of their continued commitment to fulfilling all regulatory requirements in future.
- iii. The QFS were filed beyond the prescribed deadline due to the temporary unavailability of the SECP web portal at the time of the initial attempt. Unfortunately, the matter was subsequently overlooked and they accept full responsibility for the delay. The QFS were promptly filed upon identification of the lapse during our internal periodic review.
- iv. The matter was adequately addressed and they are committed to compliance. Further, they humbly request your consideration in treating the matter resolved based on their written submission.



6. In order to meet the ends of justice and to provide opportunity of being heard to the Noticee(s), hearing in the matter was fixed for April 25, 2025, but no one appeared. However, Authorized Reprehensive, vide email dated April 24, 2025, submitted that the matter be considered resolved in light of their written submission.

7. I have gone through the relevant provisions of Section 237 of the Act and the requirements of the Circular, and considered the facts of the case, available record of the Company, as well as written submissions of Authorized Reprehensive. I have also perused Section 237(4) of the Act, which stipulates penal provisions for contravention of the afore-referred provisions of law. I have noted that in terms of Section 237(2) of the Act, every listed company is required to file/transmit its QFS with the Registrar/Commission within thirty (30) days from the date of close of its first quarter of its year of accounts. QFS are a crucial source of information for the stakeholders, especially shareholders, of a public listed company. It provides timely insights into a company's financial performance and such information is essential for assessing the company's overall financial health.

8. The provisions of Section 237 of the Act unambiguously and explicitly obligate the Company to file/transmit its QFS in a timely manner. In this respect, reliance is placed on an Order passed by the Appellate Bench of the Commission on March 01, 2023 (*in Appeal No. 73 of 2022- Gulistan Textile Mills Limited, vs. SECP*), whereby it was held that a public listed company has higher responsibility to disseminate true and accurate state of affairs to all the stakeholders in a timely manner so that they may take appropriate decisions. In another case cited as 2024 CLD 672 [*Appeal No. 77 of 2021 decided on August 25, 2023*], the Appellate Bench of the Commission held that “...interim financial statements prepared accurately and in timely manner, provide a reliable source of information regarding a company's financial position and performance to its users, besides illustrating regarding the results of the management's stewardship of resources entrusted to it...” The significance of transmitting quarterly financial statements of a listed company in a timely manner is also echoed in 2024 CLD 635 – Appeal No. 78 of 2021 decided on August 25, 2023, and 2024 CLD 415 – Appeal No. 97 of 2020 decided on August 25, 2023.

9. It has been observed that the QFS for the period ended September 30, 2024, were transmitted to the Pakistan Stock Exchange (PSX) on October 30, 2024, through PUCAR, and were simultaneously placed on the Company's official website. Further, the Company has a compliance history, however, failed to timely file/transmit the QFS for the period ended September, 30, 2024 and admitted that the QFS were filed with a delay of 41 days.

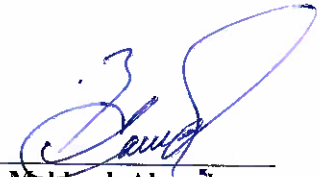
10. In view of the above-stated facts and circumstances, I am of the considered view that by failing to file/transmit the QFS for the first quarter ended September 30, 2024, within the prescribed timeframe, the contravention with the requirements of Section 237 of the Act read with Circular has been established beyond doubt which attracts penal action in terms of sub-section (4) of Section 237 of the Act. Considering the facts that the Company has filed/transmitted the QFS on December 10, 2024 prior to the issuance of the SCN with a delay of forty-one (41) days, the assurance provided by Authorized

Reprehensive on behalf of the Noticee(s) for exercising greater vigilance for adhering to statutory requirements in the future and recognizing the Company's compliance history. I, therefore, in the exercise of the powers conferred upon me under sub-section (4) of Section 237 of the Act read with Section 479 thereof and S.R.O. 1545(1)/2019 dated December 6, 2019, hereby, impose an aggregate penalty of Rs. **Rs.45,000/- (Rupees Forty Five Thousand only)** on the Noticee(s) in the following manner:

S.No.	Name of Noticee(s)	Amount of the Penalty in Rs.
1.	Mr. Mazhar-ul-Haq Siddiqui, Chairman	5,000
2.	Ms. Sultana Siddiqui, Director	5,000
3.	Mrs. Mahtab Akbar Rashdi, Director	5,000
4.	Mr. Shunaid Qureshi, Director	5,000
5.	Mr. Duraid Qureshi, CEO/Director	5,000
6.	Mr. Sohail Ansar, Director	5,000
7.	Mrs. Khush Bakht Shujat, Director	5,000
8.	Mr. Muhammad Ayub Younus Adhi, Director	5,000
9.	Mr. Muhammad Abbas Hussain, CFO	5,000
	<b>Total Amount</b>	<b>45,000/-</b>

Further, the Noticee(s) are also advised to ensure meticulous compliance with all applicable laws in true letter and spirit, henceforth.

11. The Noticee(s) are, hereby, directed to deposit the aforesaid amount of penalty in the designated bank account maintained in the name of the Commission with MCB Bank Limited or United Bank Limited within thirty (30) days from the date of this Order and to furnish a receipted bank challan to the Commission forthwith. In case of failure to deposit the penalty, the proceedings under Section 485 of the Act will be initiated for recovery of the fines as arrears of land revenue pursuant to provision of Section 42B of the Securities and Exchange Commission of Pakistan Act, 1997.



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

Announced:  
May 05, 2025  
Islamabad.