



Through PUCARS / TCS Courier Service

October 07, 2024

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi-74000

Sub: **STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017
IN RESPECT OF SPECIAL BUSINESS**

Dear Sir,

We are pleased to enclose herewith Statement of Material Facts under Section 134(3) of the Companies Act, 2017 ("**Statement**") in respect of special business to be conducted at the forthcoming Annual General Meeting ("**AGM**") of the shareholders of Reliance Weaving Mills Limited ("**Company**") to be held on Monday, October 28, 2024 at 3:00 pm at Multan.

The aforementioned Statement is being dispatched to the shareholders of the Company along with the Notice of AGM.

Please disseminate this information to the TRE Certificate Holders of the Exchange accordingly.

Yours truly,
For and on behalf of Reliance Weaving Mills Limited


Kamran Ahmad Awan
Company Secretary

CC: Director/HOD, Surveillance, Supervision and Enforcement Department
Securities & Exchange Commission of Pakistan, NIC Building
63 – Jinnah Avenue, Blue Area
Islamabad

Encl.: As above

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT 2017 IN RESPECT OF SPECIAL BUSINESS:

The statement sets out the material facts under Section 134(3) of the Companies Act, 2017 concerning the special business to be transacted at the Annual General Meeting of Reliance Weaving Mills Limited to be held on Monday, October 28, 2024.

Special Business Relating to Approval of Related Party Transactions:

The transactions carried out with the associated companies/related parties have been approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to the provisions of applicable laws. The Board has recommended that these transactions be placed before the shareholders of the Company in the general meeting for ratification/approval pursuant to the provisions of the Companies Act, 2017 (the "Act"). These transactions are given in Note 46 of the financial statements for the year ended June 30, 2024.

All the related party transactions for the year ended June 30, 2024 were executed on arm's length basis in the normal course of business and there were no departures from the guidelines provided in the Code of Corporate Governance for such transactions. Pursuant to above, these transactions have to be approved/ratified by the shareholders in the general meeting. The Directors and their relatives do not have any direct or indirect interest in the aforesaid transactions except to the extent of their shareholding/common directorship with related parties.

Special Business Relating to Related Party Transactions for year ending June 30, 2025:

The Company shall be conducting transactions with its related parties during the year ending June 30, 2025 on an arm's length basis as per the approved policy with respect to "transactions with related parties" in the normal course of business. There could be cases where majority of the Directors hold common directorship with these associated companies. In line with good governance practices, it is recommended that the Board of Directors of the Company be authorized to approve transactions with related parties on case to case basis for the year ending June 30, 2025, which transactions shall be deemed to be approved by the shareholders. The nature and scope of related party transactions is explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification. The Directors are interested in the resolution to the extent of their shareholding/common directorship in the companies.

Special Business Relating to Investment in Associated Companies:

As per the disclosure requirement of Para 4(1) of the S.R.O. 1240(I)/2017 dated December 06, 2017, it is informed that the following Directors of the Company are also the Directors in the investee company; however, they have no direct or indirect interest except to the extent of shareholding / directorship in the investee company:



A handwritten signature in blue ink, appearing to be "A. A.", written over a horizontal line.

Fatima Sugar Mills Limited	Reliance Commodities (Pvt.) Limited	Fatima Transmission Company Limited	Fazal Cloth Mills Limited	Fatima Holding Limited
<ul style="list-style-type: none"> • Mr. Fawad Ahmed Mukhtar • Mr. Faisal Ahmed • Mr. Abbas Mukhtar • Mr. Muhammad Mukhtar Sheikh • Muhammad Fazeel Mukhtar 	<ul style="list-style-type: none"> • Mr. Fawad Ahmed Mukhtar • Mr. Faisal Ahmed 	NONE	<ul style="list-style-type: none"> • Mr. Faisal Ahmed • Mr. Abbas Mukhtar • Mr. Muhammad Mukhtar Sheikh 	<ul style="list-style-type: none"> • Mr. Fawad Ahmed Mukhtar • Mr. Faisal Ahmed

The Directors have carried out the required due diligence for the purpose of this loan.

Information under Regulation 3 of the Companies' (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

	Fatima Sugar Mills Limited	Reliance Commodities (Pvt.) Limited	Fatima Transmission Company Limited	Fazal Cloth Mills Limited	Fatima Holding Limited
Registration No. and Date	0076592 15.07.2011	0036107 28.01.1996	0091244 26.12.2014	0002266 14.05.1966	0018591 20.09.1988
Registered Office Address	E-110, Khayaban-e-Jinnah, Lahore-Cantt	2 nd Floor Trust Plaza LMQ Road, Multan	E-110, Khayaban-e-Jinnah, Lahore Cantt	697, Abid Majeed Road, Lahore Cantt	E-110, Khayaban-e-Jinnah, Lahor Cantt
Authorized Share capital	PKR 2,200 (M)	PKR 350 (M)	PKR 1,000 (M)	PKR 1,700 (M)	PKR 1,180(M)
Paid up capital	PKR 2,102 (M)	PKR 80.05 (M)	PKR 647(M)	PKR 300 (M)	PKR 1,172(M)
Basis of Relationship	Common Directorship	Common Directorship	Sponsorship	Sponsorship	Common Directorship



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Earnings / Loss per share of the associated companies are as under:

Year	FSML	RCL	FTCL	FCML	FHL
PKR					
2021	3.39	45.52	(2.5063)	181.06	1.40
2022	1.94	85.86	(0.5583)	153.68	(1.26)
2023	3.39	0.701	0.4702	19.54	(2.16)

Breakup value per share of the associated companies are as under:

Year	FSML	RCL	FTCL	FCML	FHL
PKR					
2021	26.36	337.89	(3.8099)	1156.58	90.30
2022	28.50	453.33	5.2212	1350.98	89.04
2023	29.26	46.034	4.7072	750.53	86.88

Latest financial position, including main items of the financial position and statement of profit or loss of the associated companies or associated undertakings;

Particulars	FSML	RCL	FTCL	FCML	FHL
PKR in Million					
Paid up capital	2,101.71	80.05	646.72	300	1,171.55
Un-appropriated profit/(loss)	4,317.22	2,970.928	(342)	21,140	5,872.65
Current liabilities	8,098.58	6,021.963	244	39,172	9,842.19
Current assets	7,955.01	8,994.018	57	48,917	12,072.80
Sales	17,922.71	6,350.820	95	77,697	431.12
Gross profit/(loss)	4,717.21	1,921.806	70	10,086	423.69
Net Profit/loss	713.40	56.112	30	586	(253.24)



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In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, further information as per Regulations are as under:

		Fatima Transmission Company Limited														
I	Description of the project and its history since conceptualization	Fatima Transmission Company Limited (FTCL) was incorporated on December 26, 2014 as a public company under the Companies Ordinance, 1984. The principal activity of the Company is to lay down power transmission line. The National Electric Power Regulatory Authority (NEPRA) has granted permission to FTCL for constructing and owning transmission facilities in 2015. Under the license, FTCL would setup a 37 km long transmission line for evacuating 120MW electricity from generation facilities to supply to a number of Bulk Power Consumers.														
II	Starting date and expected date of completion of work	The project was taken over from EPC contractor in May 2017 and duly tested through dispatch from August 2019 to December 2019 under wheeling arrangement. COD is yet to be declared.														
III	Time by which such project shall become commercially operational	The commercial operations of the Company are directly linked with the operations of the Fatima Energy Limited. As soon as the commercial operations of the Fatima Energy Limited commences; the commercial operations of the FTCL shall also be commenced simultaneously.														
IV	Expected time by which the project shall start paying return on investment	In addition to above, the management of FTCL expects that it would be able to achieve its optimum capacity in next couple of years, which will enable sufficient cash flows to repay its obligations as well as payout to its shareholders.														
V	Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts	<p>Investment in Preference Shares</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name of Sponsor</th> <th style="text-align: right;">PKR Million</th> </tr> </thead> <tbody> <tr> <td>Reliance Weaving Mills Limited</td> <td style="text-align: right;">73.398</td> </tr> <tr> <td>Fazal Cloth Mills Limited</td> <td style="text-align: right;">127.956</td> </tr> <tr> <td>Fatima Holdings Limited</td> <td style="text-align: right;">152.282</td> </tr> <tr> <td>Fazal Holdings (Private) Limited</td> <td style="text-align: right;">14.506</td> </tr> <tr> <td>Fatima Sugar Limited</td> <td style="text-align: right;">48.585</td> </tr> <tr> <td></td> <td style="text-align: right;">416.727</td> </tr> </tbody> </table>	Name of Sponsor	PKR Million	Reliance Weaving Mills Limited	73.398	Fazal Cloth Mills Limited	127.956	Fatima Holdings Limited	152.282	Fazal Holdings (Private) Limited	14.506	Fatima Sugar Limited	48.585		416.727
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Investment in Ordinary Shares	
Name of the Sponsor	PKR Million
Reliance Weaving Mills Limited	71.875
Fazal Cloth Mills Limited	55.200
Fatima Holding Limited	87.400
Fazal Holdings (Private) Limited	15.525
Directors	0.000
	230.000

General Disclosures:

Requirements	Fatima Sugar Mills Limited	Reliance Commodities (Pvt.) Limited	Fatima Transmission Company Limited	Fazal Cloth Mills Limited	Fatima Holding Limited
	PKR in Million				
Maximum amount of investment	400	200	300	200	200
In case any loan has already been granted to the said associated companies or associated undertakings, the complete details thereof.	Given in below.				
Purpose of loans or advances and benefits likely to accrue to the investing company and its Members from such loans;	<p>Purpose: To earn income on the loans/advances to be provided to the associated companies to meet working capital needs of the associated companies.</p> <p>Benefits: The Company will receive markup above the borrowing cost of Company, which will benefit the Company's cash flow by earning profit on its sur funds.</p> <p>Period: For a period of one year from the date of Annual General Meeting.</p>				
Sources of funds to be utilized for investment	Loan/advance will be given out of own funds of the Company.				



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Where loans or advances are being granted using borrowed funds:

- Justification for granting loan or advance out of borrowed funds	Not Applicable
- Detail of guarantees/assets pledged for obtaining such funds, if any;	Not Applicable
- Cost Benefit Analysis	Not Applicable

Salient features of all agreements entered or to be entered with its associated company or associated undertakings with regards to proposed investment.

- Nature	Loan/advance
- Purpose	To earn mark-up on loan being provided to FSML, FTCL, RCL, FCML and FHL, this augment the Company's cash flow.
- Period	Maximum period of one year.
- Rate of markup	KIBOR + 3.0% but above average borrowing cost of the Company.
- Repayment	Investee Company shall pay loan and mark-up to investing company on one-month notice or at maturity.
Direct or indirect interest of Directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	The Directors of the Company are sponsors and Directors of the Investee Company. None of the Directors or their relatives or associates are interested in the transaction under consideration in any way except as Members of the Company.
In case of any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	There is no impairment and/or write off against any facility given to any associated company.



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Any important details necessary for the Members to understand the transaction.	Not Applicable
Category-wise amount of investment;	Short term loan for working capital requirements for a period of one year as detailed in preamble.
Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period;	22.28%
Rate of interest, markup, profit, fees or commission to be charged;	KIBOR + 3.00%
Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any;	Not Applicable
If loans carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable:	Not Applicable
(a) Conversion formula	Not Applicable
(b) Circumstances in which conversion may take place	Not Applicable
(c) Time when conversion may be exercisable;	Not Applicable
Repayment schedule and terms and conditions of loans or advances to be given to Investee companies.	Loan will be paid back by each investee company within on month notice of maturity.



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