



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- I

Adjudication Division

| ORDER | |
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| Name of Company: | Ali Asghar Textile Mills Limited |
| Show Cause Notice No. & Date: | CSD/ARN/15/2015-971 dated February 27, 2025 |
| Name(s) of Respondent(s): | (i) Mr. Nadeem Ellahi Shaikh, Chief Executive/ Executive Director (ii) Mr. Muhammad Afzal, Chairman/Non-Executive Director (iii) Mr. Abdullah Moosa, Executive Director (iv) Mr. Ahmed Ali, Independent Director (v) Mr. Muhammad Suleman, Executive Director (vi) Mr. Anwar Ali, Independent Director (vii) Mr. Muhammad Zubair, Independent Director |
| Date(s) of Hearing(s): | April 11, 2025 |
| Case represented by: | (i). Mr. Nadeem Ellahi Sheikh (ii). Mr. Muhammad Suleman (as the Authorized Representatives) |
| Provision of law involved: | Circular No. 10 of 2024 dated April 17, 2024 read with Section 510 of the Companies Act, 2017. |
| Date of Order: | April 17, 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/15/2015-971 dated February 27, 2025 ("SCN") against Board of Directors ("BoD") of Ali Asghar Textile Mills Limited (the "Company"), hereinafter collectively referred to as the "Respondents", for contravention of the requirements of Circular No. 10 of 2024 dated April 17, 2024 (the "Circular") read with Section 510 of the Companies Act, 2017 (the "Act").

2. The Commission vide the above referred Circular, directed the BoDs of the listed companies to prepare and include, in the annual reports for the financial years ending on or after June 30, 2024, a statement on gender pay gap and also make it available on their respective website; where the violation of the Circular attracts penal action in terms of sub-section (2) of Section 510 of the Act. The relevant provisions of the Act are hereunder:

"510. Power to issue directives, circulars, guidelines.—(1) The Commission may issue such directives, prudential requirements, codes, guidelines, circulars or notifications as are necessary to carry out the purposes of this Act and the rules and regulations made under this Act.

(2) Any person, who obstructs or contravenes or does not comply with any directive, prudential requirements, codes, circulars or notifications, given under this section shall be liable to a penalty of level 3 on the standard scale."

3. The review of the Annual Report of the Company for the year ended June 30, 2024 revealed that it has failed to include gender pay-gap disclosure in the same and has also failed to make the statement available on the Company's website as per requirement of the Circular. In order to probe the matter, the Commission vide letter dated December 05, 2024 sought clarification from the Company with regards to the aforesaid non-compliances, for which the Company in its response vide letter dated December 20, 2024, shared that they inadvertently omitted the statement on gender pay gap from the Annual Report.

4. Taking cognizance of the alleged violation of law, SCN was served upon the Respondents to show the cause in writing as to why a penal action may not be taken against them for non-compliance of the requirements

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of the Circular. In response to SCN, the Company vide letter dated March 17, 2025 *inter alia* made the following submissions:

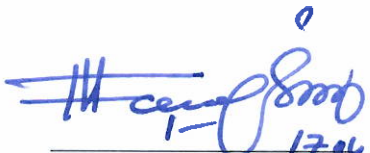
- (i) The omission of the gender pay-gap statement in the annual report and on the website was purely inadvertent and unintentional.
- (ii) The Company will make the disclosure on the website.
- (iii) Assurance of strict future compliance and request for leniency.

5. In order to provide an opportunity of being heard to the Respondents, hearing in the matter was fixed for April 17, 2025; which was attended by Mr. Nadeem Ellahi Sheikh and Mr. Muhammad Suleman as the **“Authorized Representatives”** on behalf of all the Respondents. The Authorized Representatives during the hearing reiterated the earlier furnished response to SCN and, *inter-alia*, submitted that:

- (i) The (missing of) disclosure was inadvertent.
- (ii) The website has been accordingly updated incorporating the required gender pay gap disclosure as per the Circular.
- (iii) Authorized Representatives, in view of the instructions issued by the Authorized/Adjudicating Officer during the hearing, assured to discuss the criticality of the matter in the next Board Meeting to duly sensitize the members in respect of the same.

6. I have gone through the provisions of the Circular, relevant provisions of Section 510 the Act and considered the facts of the case, as well as written and verbal submissions made by the Respondents through the Authorized Representatives. It is important to observe here that the gender pay gap is a persistent issue that requires ongoing attention from organizations, businesses, and society as a whole. In simple terms, the gender pay gap is the difference in average gross hourly earnings between women and men, who are employed for similar job roles in any organization where disclosure of such information and becoming sensitized on the issue is part of an overall effort to inculcate fairness and environment of equal opportunities.

7. In light of the foregoing, the subsequent disclosure on the Company’s website and the assurance of taking up the matter in the next BoD meeting; the Company has shown a positive approach in respect of realizing the importance of gender pay-gap. Moreover, I have also considered the assurance provided by the Authorized Representative on behalf of the Respondents for exercising greater vigilance in adhering to the legal/regulatory requirements in future. I, therefore, in exercise of powers conferred upon me under Section 510(2) of the Act read with S.R.O. 1545(I)/2019 dated December 6, 2019, hereby conclude the instant proceedings with a strict **WARNING** to the Respondents. The Respondents are also advised to ensure meticulous compliance with all applicable laws in the future.


17-04-2025
Sohail Qadri
Director/ HOD
Adjudication Department-I

Announced:
Dated: April 17, 2025
Islamabad