



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

## Adjudication Department- I

### Adjudication Division

ORDER	
Name of Company:	Saritow Spinning Mills Limited
Show Cause Notice No. & Date:	CSD/ARN/589/2020/291 dated March 27, 2025
Name(s) of Respondent(s):	(i) Mr. M. Naseem Saigol, Chairman/Non-Executive Director (ii) Mr. Muhammad Zeid Yousuf Saigol, Chief Executive (iii) Mr. Samir Iqbal Saigol, Executive Director (iv) Mr. Muhammad Omer Farooq, Non-Executive Director (v) Mr. Muhammad Murad Saigol, Non-Executive Director (vi) Mr. Jamal Nasim, Independent Director (vii) Mrs. Sadaf Kashif, Independent Director
Date(s) of Hearing(s):	April 21, 2025
Case represented by:	Mr. Muhammad Shamil, (as the Authorized Representative)
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 21, 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/589/2020/291 dated March 27, 2025 (“SCN”) against Board of Directors (“BoD”) of Saritow Spinning 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 17, 2024 sought clarification from the Company with regards to the aforesaid non-compliances, for which the Company in its response vide a letter received by the Commission on February 27, 2025, submitted that due to oversight the said disclosure was not incorporated and that they assure of future compliance.

4. Taking cognizance of the alleged violation of law, SCN was served upon the Respondents on March 27, 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 the Circular. In response to SCN, the Company vide letter dated April 13, 2025 on behalf of the Respondents *inter alia* made the following submissions:


- (i) The Company inadvertently missed to include the specific disclosure as required by the Circular and apologized for the omission of the same.
- (ii) The spinning unit was shut down during the month of February 2024, due to which the labor was paid off and since then the Company has limited employee strength.
- (iii) The Company requested to condone the SCN, considering the inadvertent nature of the omission and on their commitment to future compliance.

5. In order to provide an opportunity of being heard to the Respondents, hearing in the matter was fixed for April 21, 2025; which was attended by Mr. Muhammad Shamil as the “**Authorized Representative**” on behalf of all the Respondents. The Authorized Representative during the hearing reiterated the earlier furnished response to SCN and, *inter-alia*, submitted that:

- (i) It was a matter of first-time compliance. The spinning unit was shut down during the month of February 2024, due to which the labor was paid off and since then the Company has limited employee strength.
- (ii) The website was promptly updated with the disclosure; accordingly incorporating the required gender pay gap disclosure as per the Circular. Further informed, that the nature of work is labor intensive therefore, male work force is prevalent and there no females currently employed.
- (iii) Authorized Representative, 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 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 Representative. 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 partial compliance achieved by the Company by placing the disclosure on its website and its 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.

  
1-24-04-2025  
Sohail Qadri  
Director/ HOD  
Adjudication Department-I

**Announced:**

Dated: April 21, 2025

Islamabad