



647
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I

Adjudication Division

ORDER	
Name of Company:	M/s Hamid Textile Mills Limited
Show Cause Notice No. & Date:	CSD/ARN/255/2020-401 dated May 05, 2025
Name(s) of Noticee(s):	(i) Mrs. Khushboo Ammad, Chairperson; (ii) Mr. Khawar Almas Khawaja, Director/ CEO; (iii) Mr. Muhammad Alamgir, Director; (iv) Mrs. Momina Khawar Ali, Director; (v) Mrs. Nighat Khawar, Director; (vi) Mr. Abid Hussain, Director; and (vii) Mr. Muhammad Amin, Director.
Date(s) of Hearing(s):	(i) May 29, 2025; (ii) June 18, 2025; (iii) June 26, 2025; and (iv) July 11, 2025
Case represented by:	Mr. Muhammad Aslam Awan, FCA, Awan & Co. Chartered Accountants (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:	July 11, 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/255/2020-401 dated May 05, 2025 ("SCN") against Board of Directors ("BoD") of M/s Hamid Textile Mills Limited (the "Company"), hereinafter collectively referred to as the "Noticee(s)", 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 March 24, 2025 sought clarification from the Company with regards to the aforesaid non-compliances, for which the Company in its response vide letter dated April 16, 2025, *inter-alia*, submitted that:

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"The disclosure of Gender Pay Gap data in annual report was made mandatory to be part of the annual report and its disclosure on website was communicated on April 10, 2024 and the disclosure of gender pay gap remain un attended. The oversight was not intentionally but due to lack of knowledge about the application of said circular with respect to the gender pay gap disclosure. However, we hereby assure that proper disclosure will be made in future in accordance with the prescribed format and condition of the quoted circular in future."

4. Taking cognizance of the alleged violation of law, SCN was served upon the Noticee(s) on May 05, 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. However no response to the SCN was submitted by the Noticee(s) within the stipulated time.

5. In order to provide an opportunity of being heard to the Noticee(s), hearings in the matter were fixed for May 29, 2025, June 18, 2025 and June 26, 2025; which were not attended by the Noticee(s). Later the Chief Executive Officer of the Company vide letter dated July 10, 2025 submitted written reply to SCN, *inter-alia*, stating that:

- (i) *Statement of gender pay gap remained undisclosed in the annual report for the year ended June 30, 2024 was missed due to ignorance/ unawareness of the promulgation of the Circular;*
- (ii) *The Company has women representation at board level where 3 directors are female however despite policy in place, currently women engagement as employee does not exist mainly due to nature, and location of industry and non-availability of relevant skilled female workers; and*
- (iii) *The Company will ensure compliance with the requirements in future years hence a lenient view is requested.*

6. In order to conclude the matter and to meet the ends of justice, a final opportunity of personal representation was provided to the Noticee(s) by fixing hearing on July 11, 2025 when Mr. Muhammad Aslam Awan, FCA, appeared as the **"Authorized Representative"** on behalf of all the Noticee(s). The Authorized Representative during the hearing reiterated the earlier furnished response to SCN and stated that the Company has no female employee, therefore, non-disclosure has no financial impact. The Authorized Representative also assured placement of required disclosure at the website of the Company within seven (07) days.

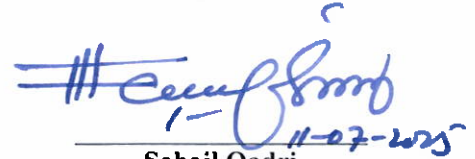
7. I have gone through the Circular, relevant provisions of Section 510 the Act and considered the facts of the case, as well as written and verbal submissions made by the Noticee(s) through the Authorized Representatives. It is important to observe here that the gender pay gap is a persistent issue 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.

8. It is imperative to observe that it is the responsibility of the Noticee(s) being directors of a listed company to monitor evolving regulatory framework and act proactively especially where the Circular has clearly prescribed the compliance time period. Accordingly the Noticee(s) cannot absolve them from the responsibility to ensure compliance with the requirements of the Circular merely on the grounds of unawareness of the issuance of instant requirement through the Circular.

9. It is also observed that non-hiring of any female employee may be attributed to the industry dynamics and geographic location but the same is not a tenable justification for not disclosing the statement on gender pay gap and overlooks the Noticee's responsibility to actively foster inclusion through targeted training, partnerships, and workplace accommodations. Moreover, the argument by the Authorized Representative that non-disclosure of statement on gender pay gap has "no financial impact" is also not tenable as gender diversity is one of the material issues affecting investor confidence, regulatory compliance, reputational risk, and long-term performance and such non-disclosure undermines stakeholder trust and reflects lack of governance. It is noted that transparency about these gaps and a commitment to address them is both expected and considered essential.

11-07-2025

10. In light of the foregoing and assurances of the Authorized Representative of placement of the required disclosure on the web-site of the Company within seven (07) days, of taking up the matter in the next BoD meeting and arranging a session for the awareness of the Noticee(s) and other employees; 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 Noticee(s) 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(1)/2019 dated December 6, 2019, hereby conclude the instant proceedings with a **WARNING** to the Noticee(s). The Noticee(s) are also advised to ensure meticulous compliance with all applicable laws in the future.


Sohail Qadri
Director/ HOD
Adjudication Department-I

Announced:
Dated: July 11, 2025
Islamabad

