



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

## Adjudication Department- I

### Adjudication Division ORDER

Name of Company:	M/s Karam Ceramics Limited
Show Cause Notice No. & Date:	CSD/ARN/324/2016-490 dated May 22, 2025
Name(s) of Noticee(s):	(i) Mrs. Suraiya Nasir, Chairperson/Director (ii) Syed Mazhar Ali Nasir, CEO/Director (iii) Syed Azhar Ali Nasir, Director (iv) Syed Azfar Ali Nasir, Director (v) Lt. General (Rtd.) Tariq Waseem Ghazi, Director (vi) Mr. Alireza M. Alladin, Director (vii) Mr. Shuja Ahmed Alvi, Director
Date(s) of Hearing(s):	June 18, 2025
Case represented by:	Syed Mazhar Ali Nasir, CEO/Director <i>(as the Authorized Representatives)</i>
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:	June 18, 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/324/2016-490 dated May 22, 2025 (“SCN”) against Board of Directors (“BoD”) of M/s Karam Ceramics Limited (the “Company”), hereinafter collectively referred to as the “Noticee(s)/ Respondent(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 December 30, 2024 sought clarification from the Company with regards to the aforesaid non-compliances, for which the Company in its response vide letter dated February 22, 2025, submitted that they regret the inadvertent non-compliance and will ensure future compliance in respect of the same.

4. Taking cognizance of the alleged violation of law, SCN was served upon the Noticee(s) on May 22, 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. No response to SCN was furnished by the Noticee(s) within the stipulated time. Subsequently, in order to provide an opportunity of being heard to the Noticee(s) and to meet the ends of justice in a bona-fide manner, hearing in the matter was fixed for June 18, 2025; which was attended by Syed


*Handwritten signature and date: 18-06-2025*

Mazhar Ali Nasir (CEO/Director), as the “**Authorized Representative**” on behalf of all the Noticee(s). The Authorized Representative during the hearing, *inter-alia*, submitted that:

- (i) *The Noticee(s) fully acknowledged the default and the same has been resulted from an oversight by the relevant persons;*
- (ii) *Moreover, the Company has been facing severe financial issues due to a downward trend in the overall construction industry and certain labor issues, and the relevant staff including the Company Secretary and CFO along with other relevant officers looking after the corporate affairs resigned prior to the finalization of the annual report;*
- (iii) *The Company has been making efforts to place the disclosure on the website prior to the hearing date but due to certain technical problems the same may take another couple of days. The website shall be duly updated with the subject disclosure by June 30, 2025 while a proper disclosure in the Annual Report shall be included for the FY 2025;*
- (iv) *Company’s production facility being situated in the remote part of City of Hub/Balochistan and owing to the nature of work does not attract any female employees, however, the head office has a slightly better mix of gender employees where recently a female professional has been hired as the CFO of the Company;*
- (v) *Authorized Representative further assured to discuss the criticality of the matter in the next Board Meeting to duly sensitize the members in respect of the same and to ensure strict future compliance; and*
- (vi) *On the basis of the same, a lenient view was requested.*

5. I have gone through the requirements of the Circular, relevant provisions of Section 510 the Act and considered the facts of the case, as well as the submissions made by the Noticee(s) 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.

6. In light of the foregoing, the assurance of taking up the matter in the next BoD meeting and to organize sessions for inculcating gender inclusiveness awareness amongst the management; it is observed that 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(I)/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 placing the relevant disclosure on its website by June 30<sup>th</sup>, 2025 without fail while also ensuring the meticulous compliance with all applicable laws in the future as well.

  
18-06-2025  
**Sohail Qadri**  
Director/ HOD  
Adjudication Department-I

**Announced:**

Dated: June 18, 2025

Islamabad