



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

## Adjudication Department-I

### Adjudication Division

ORDER	
Name of Company:	M/s Sitara Chemical Industries Limited
Show Cause Notice No. & Date:	CSD/ARN/540/2018-376 dated April 28, 2025
Name(s) of Noticee(s):	(i) Mr. Ahmad Hassan, Chairman; (ii) Mr. Muhammad Adrees, Director/ CEO; (iii) Mr. Haseeb Ahmed, Director; (iv) Mr. Ahmed Nawaz, Director; (v) Mr. Haroon Ahmed Zuberia, Director; (vi) Mr. Najmul Huda Khan, Director; and (vii) Ms. Shala Waheed Sher, Director, Director.
Date(s) of Hearing(s):	May 29, 2025
Case represented by:	Ms. Shaista Bano Gilani (Corporate Consultant) (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:	May 29, 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/540/2018-376 dated April 28, 2025 (“SCN”) against Board of Directors (“BoD”) of M/s Sitara Chemical Industries 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 10, 2025 sought clarification from the Company with regards to the aforesaid non-compliances, for which the Company in its response vide letter dated March 14, 2025 regretted the inadvertently omission of the information and while apologizing for the contravention assured future compliance in respect of the same.

4. Taking cognizance of the alleged violation of law, SCN was served upon the Noticee(s) on April 28, 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, Mr. Mazhar Ali Khan, Company Secretary of the Company vide letter dated May 05, 2025 furnished the response to SCN, *inter-alia*, stating that:

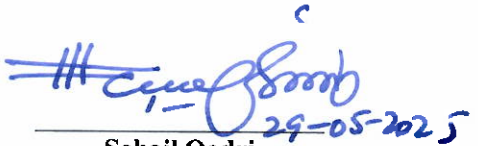
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- (i) *The Noticee(s) acknowledges and regrets the inadvertent omission which resulted from a bona fide misinterpretation of the Circular, considering the same of recommendatory nature.*
- (ii) *The disclosure of Gender pay-gap, duly approved by the Board of Directors of the Company, has been uploaded on the Company's website demonstrating the Company's intention to ensure compliance with applicable laws on an on-going basis and to promote transparency.*
- (iii) *The Company requested to condone the SCN, considering the inadvertent nature of the omission, no detriment caused to any party and on their commitment to future compliance.*

5. In order to provide an opportunity of being heard to the Noticee(s), hearing in the matter was fixed for May 29, 2025; which was attended by Ms. Shaista Bano Gilani (Corporate Consultant) 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 confirmed that corrective action has been taken by placing the required disclosure, duly approved by the board of directors, on the website of the Company and going forward the same will also be disclosed in the annual reports of the Company.

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 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.

7. In light of the foregoing, the subsequent partial compliance achieved by the Company by placing the disclosure on its website and the assurance of the Authorized Representatives 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 Representatives 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 **strict Advice** to the Noticee(s) to ensure meticulous compliance with all applicable laws in the future.

  
29-05-2025  
Sohail Qadri  
Director/ HOD  
Adjudication Department-I

**Announced:**  
Dated: May 29, 2025  
Islamabad