



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I

Adjudication Division

ORDER	
Name of Company:	M/s. Redco Textiles Limited
Show Cause Notice No. & Date:	SCN/LCD/Adj-I/164710-721 dated August 18, 2025
Name(s) of Respondent(s):	(i) Mrs. Manizah Saif Khan, Chairperson; (ii) Mrs. Sarah Muhammad Saya, Chief Executive; (iii) Mr. Junaid Khan, Director; (iv) Mr. Irfan Ahmed Siddiqi, Director; (v) Mr. Ahsan Ur Rehman Khan, Director; (vi) Ms. Ayesha Saif Khan, Director; and (vii) Mr. Khalid Rehman Khan, Director
Date(s) of Hearing(s):	(i) September 29, 2025; and (ii) October 29, 2025.
Case represented by:	(i) Mr. Monim Ul Haq, Chief Financial Officer; and (ii) Mr. Muhammad Amir, Senior Manager Accounts. <i>As the Authorized Representatives of all the Noticees.</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:	October 20, 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. SCN/LCD/Adj-I/164710-721 dated August 18, 2025 ("SCN") against Board of Directors ("BOD") including Chief Executive of M/s. Redco Textiles 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 board of directors 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 (the "Annual Report") revealed that it had failed to include/disclose Statement on the Gender Pay-Gap (the "Statement") in its Annual Report and on its website as per requirement of the Circular.

4. In order to probe the matter, the Commission vide letter dated March 04, 2025 sought clarification from the Company with regards to the aforesaid non-compliance, for which the Company in its response vide letter dated March 14, 2025, *inter alia*, submitted that:

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"The gender pay gap disclosure has been included in the Director's Report. However, the Statement is not presented in the Annual Report, since during the year 2024 we have only Chief Executive as working female and all other employees of the Company were male."

5. Taking cognizance of the alleged violation of law, a SCN was served upon the Noticee(s) 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 Secretary vide letter dated September 01, 2025 requested an extension of thirty (30) days for submitting the reply to SCN, which was duly acceded to. Subsequently, the Company Secretary, vide letter dated September 25, 2025 submitted, *inter alia*, as under:

"We sincerely acknowledge that the gender pay gap disclosure included in our Annual Report for the financial year ending June 30, 2024, did not fully conform to the suggestive format provided in the Circular. The Company has one female Chief Executive and no other female representation in any role. This was an inadvertent oversight and not a deliberate omission. Upon realization of the discrepancy, we have immediately initiated corrective measures. A revised gender pay gap statement has been prepared in accordance with the format prescribed in the Circular and has been uploaded to our official website

We assure the Commission that we remain fully committed to upholding the regulatory standards set forth by the Commission Internal controls and review mechanisms are being strengthened to prevent recurrence of such lapses in future disclosures

In light of the above, we respectfully request the Commission to consider our prompt corrective actions and accept this explanation as satisfactory compliance with the requirements of Section 510 of the Companies Act, 2017 read with the Circular."

6. In order to provide an opportunity for personal representation and to meet the ends of justice, a hearing in the matter was fixed for September 29, 2025 which was adjourned on the request of the Company Secretary vide a request letter dated September 25, 2025.

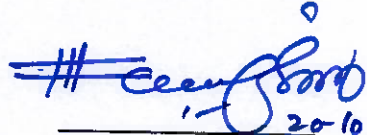
7. In order to conclude the matter in a bona-fide manner, another hearing was fixed for October 20, 2025; wherein Mr. Monim Ul Haq, Chief Financial Officer; and Mr. Muhammad Amir, Senior Manager Accounts, appeared as the "**Authorized Representatives**" on behalf of the Noticee(s). During the hearing, the Authorized Representatives reiterated the response earlier furnished to the SCN and, *inter alia*, submitted that the Company presently has only one female employee, who is also the Chief Executive of the Company. They further admitted the default and explained that the subsequent compliance has been made, as the Statement on Gender Pay Gap has been uploaded on the Company's website for the years ended June 30, 2024, and June 30, 2025. Furthermore, they assured that due compliance with the regulatory requirements of the Circular shall be ensured in the future and also requested for leniency in the instant matter.

8. I have gone through the provisions of the Circular, relevant provisions of Section 510(2) of the Act and considered the facts of the case, as well as the written and the verbal submissions made by the Noticee(s) through their 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.

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9. Furthermore, the assertion of the Authorized Representatives that the Company employs only one female employee (i.e., its Chief Executive) and that the omission of the gender pay gap disclosure was an inadvertent oversight is not tenable, as it is important to observe that such inadvertence does not absolve the Noticee(s) from their obligation to comply with the disclosure requirements under the Circular. It is pertinent to note that, in such instances, the Company could have provided an appropriate narrative disclosure along with a contextual explanation, rather than omitting the statement altogether. It is also relevant to observe that the Company has taken corrective measures and has now made the necessary disclosures in respect of Financial Year (FY) 2024 (matter at hand in the instant proceedings) and also for FY 2025.

10. In light of the foregoing, and taking into consideration that the Authorized Representatives have admitted the default and confirmed that subsequent compliance has been made through the uploading of the Statement on Gender Pay Gap on the Company's website, while also undertaking to ensure compliance with the Circular in future disclosures. Moreover, I have also considered the assurance provided by the Authorized Representatives on behalf of the Noticee(s) regarding the exercise of greater vigilance in adhering to legal and regulatory requirements in the future. I, therefore, in exercise of the powers conferred upon me under Section 510(2) of the Act read with S.R.O. 1545(I)/2019 dated December 06, 2019, hereby conclude the instant proceedings with a strict **ADIVCE** to the Noticee(s) to ensure meticulous compliance with all applicable laws in the future.


20-10-2025
Sohail Qadri
Director/ HOD
Adjudication Department-I

Announced:

Dated: October 20, 2025

Islamabad

