



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- I

Adjudication Division

ORDER	
Name of Company:	M/s. United Distributors Pakistan Limited
Show Cause Notice No. & Date:	CSD/ARN/328/2016-499 dated May 26, 2025
Name(s) of Respondent(s):	(i) Mr. Ayaz Abdulla, Chairman (ii) Mirza Asmer Beg, Chief Executive/Director (iii) Mr. Saqib Abbas, Director (iv) Mr. Asad Abdulla, Director (v) Ms. Samia Zuber, Director (vi) Mr. Abdul Samie Cashmiri, Director (vii) Mr. Najmul Hassan, Director (viii) Mr. M. Salman Hussain Chawala, Director
Date(s) of Hearing(s):	(i) June 19, 2025; and (ii) June 26, 2025.
Case represented by:	(i) Mr. Sarmad Aziz, Corporate Consultant; and (ii) Mr. Rahat Aziz, Corporate Consultant. (S.A. Associates Corporate Consultants and Trainers) As the Authorized Representatives on behalf of all Respondents.
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 26, 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/328/2016-499 dated May 26, 2025 (“SCN”) against Board of Directors (“BOD”) including Chief Executive Officer (CEO) of M/s. United Distributors Pakistan 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 (the “Annual Report”) revealed that it has 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 provisions of the Circular.

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4. In order to probe the matter, the Commission vide letter dated January 15, 2025 sought clarification from the Company with regards to the aforesaid non-compliance, for which the Company in its response vide letter dated March 11, 2025, *inter alia*, submitted that:

"The Company has a gender diversity policy in place, reflecting our commitment to fostering an inclusive workplace. The required disclosure will be included in the next annual accounts and will also be uploaded to the Company's official website in compliance with the regulatory requirements."

5. Taking cognizance of the alleged violation of law, SCN was served upon the Respondents 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 email dated June 10, 2025 requested an extension of seven (7) days in submitting the reply to SCN, which was duly acceded to.

6. In order to provide an opportunity for personal representation and to meet the ends of justice, hearing in the matter was fixed for June 19, 2025; which was adjourned in light of the Company's request for grant of more time to furnish the response to SCN. Subsequently, Mr. Sarmad Aziz, Corporate Consultant, S.A. Associates Corporate Consultants and Trainers, on behalf of the Respondents, vide letter dated June 23, 2025 submitted, *inter alia*, as under:

- (i) *The Circular was issued on April 17, 2024 shortly before the financial year-end of June 30, 2024. The limited time available to operationalize its requirements, coupled with the absence of comprehensive dissemination and interpretative guidance, posed significant implementation challenges for listed entities.*
- (ii) *The Circular though well-intentioned, contains ambiguities- particularly regarding the determination of 'mean and median hourly rates' and the definition of 'relevant employees' under Note (ii) of the guidance. Divergent interpretations by various listed companies underscore the need for further clarification to ensure consistent compliance.*
- (iii) *The Company presently employs only one female employee. As a result, applying statistical analysis to compare gender-based hourly compensation becomes practically non-representative and potentially misleading. Notwithstanding this, we remain committed to enhancing gender diversity within the organization, as reflected in the Gender Diversity Policy published on the website.*
- (iv) *It is further notified that Mr. Abdul Samie Cashmiri has resigned from the BOD on the same date the Financials were approved. Form 9 of his resignation is on record and readily available. His involvement with approval of Director's Report, Audit Report and Financial Statements were not procured considering he had resigned from the BOD.*
- (v) *Any deviation from the Circular's requirements was unintentional and occurred in the absence of any mala fide intent. We respectfully submit that we are fully committed to adhere to this requirement in our future financials closes.*
- (vi) *The Company shall adhere to all direction as and when applicable and shall fulfil the requirement of Gender Gap disclosure in the upcoming financial statements as well.*

7. In order to conclude the matter, another hearing in the matter was fixed for June 26, 2025; wherein Mr. Sarmad Aziz, Corporate Consultant and Mr. Rahat Aziz, Corporate Consultant (both of M/s. S.A. Associates Corporate Consultants and Trainers) appeared as the “**Authorized Representatives**” on behalf of all the Respondents. The Authorized Representatives during the hearing reiterated the earlier furnished response to SCN and, *inter alia*, submitted that the Company presently employs approximately 200 persons out of which only one is a female employee who is engaged in office-based job. They further explained that the limited female representation is primarily attributable to the nature of the Company’s business operations which pertains to marketing and sales of Agri-products, including pesticides. Due to intensive nature of field work in the rural locations involved in this line of business, female participation tends to be generally limited across the industry. On account of the same disparity, which was not leading to any meaningful comparison, the Respondents were unable to fully understand the requirements of disclosure. However, it is assured that due compliance with the regulatory requirements of the Circular shall be fully adhered to in the future. Moreover, a request for leniency was also made in the instant matter on account of first-time compliance instance.

8. Subsequent to the hearing, the Authorized Representatives, vide an even dated letter, provided a written assurance duly signed by the CEO and Company Secretary of the Company, stating that the aforementioned issue shall be put on the agenda of the next BOD meeting and the way forward shall be resolved thereto; an awareness session for the management of the Company to disseminate gender equality and gender discrimination principles and protocols shall be arranged by the Company and its BOD; and compliance as required under the Circular shall be ensured in the upcoming financial statements, with the same to be disclosed on its website within seven days of this assurance letter.

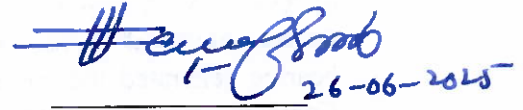
9. I have gone through the Circular, relevant provisions of Section 510 the Act and considered the facts of the case, as well as written and verbal submissions made by the Respondents through their Authorized Representatives. It is important to observe here that the gender pay gap is a persistent issue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

10. Furthermore, the assertion of the Authorized Representatives that the Company employs only one female employee and that meaningful statistical comparison is not feasible, does not absolve the Company from its obligation to comply with the disclosure requirement under the Circular. It is pertinent to note that in such instances, the Company could have provided appropriate narrative disclosure along with contextual explanation, rather than omitting the statement altogether. Moreover, the argument of the Authorized Representatives that Mr. Abdul Samie Cashmiri had resigned from the BOD on the same date when the financial statements were approved does not exonerate him from his responsibility, as the approval and finalization of financial statements is a collective act of the BOD, and he remained a part of the BOD during the period when compliance with the Circular was required to be ensured.

11. In light of the foregoing and considering the fact that the Company has acknowledged the violation, submitted a written assurance duly signed by the CEO and Company Secretary, committing to undertake corrective actions, including taking up the matter in the next BOD meeting and conducting training and awareness programs, and has also undertaken to comply with the Circular in future disclosures, while also assuring disclosure on its website; the Company has demonstrated a positive and proactive approach toward recognizing the importance of addressing the gender pay gap. Moreover, I have also considered the assurance provided by the Authorized

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Representatives on behalf of the Respondents for exercising greater vigilance in adhering to the legal/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 6, 2019, hereby conclude the instant proceedings with a strict **Advice** to the Respondents to ensure meticulous compliance with all applicable laws in the future.



Sohail Qadri
Director/ HOD
Adjudication Department-I

Announced:

Dated: June 26, 2025

Islamabad