



Securities and Exchange Commission of Pakistan

Adjudication Division Adjudication Department

Before

Abid Hussain, ED/HOD (Adjudication-I)

In the matter of Show Cause Notice issued to Shaffi Chemical Industries Limited

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| Date of Hearing | May 25, 2022, June 24, 2022 and September 08, 2022 |
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Order-Redacted Version

Order dated October 11, 2022 was passed by Executive Director/Head of Department (Adjudication-I) in the matter of Shaffi Chemical Industries Limited. Relevant details are given as hereunder:

| Nature | Details |
|------------------------|---|
| 1. Date of Action | Show cause notice dated March 25, 2022 |
| 2. Name of Company | Shaffi Chemical Industries Limited |
| 3. Name of Individual* | The proceedings were initiated against Shaffi Chemical Industries Limited and its directors. |
| 4. Nature of Offence | Under regulation 7 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 read with regulation 37 and Section 512 (2) of the Companies Act, 2017 |
| 5. Action Taken | Key findings were reported in following manner: I have gone through the facts of case and considered both the written and verbal submissions of the Respondents in light of the aforementioned legal provisions and record placed before me and of the view that it is mandatory for every listed company to have at least one female director on its board as per the requirement of regulations 7 of the Regulations; with the objective to have gender diversity and to encourage appointment of females on the board of the listed company for better governance. I am of the view that contravention of regulation 7 of the Regulations, at the relevant point of time, has been established and the same has been admitted by the Respondents as well. However, keeping in view the circumstances explained by the authorized representative and the fact that non-compliance has now been ratified, taking a lenient view, I, hereby close the case with warning to all Respondents to ensure meticulous compliance of the provisions of the law in future. |



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| | Nothing in this Order may be deemed to prejudice the operation of any provision of the Act providing for imposition of penalties in respect of any default, omission, violation of the Act. |
| 6. Penalty Imposed | Nil |
| 7. Current Status of Order | No appeal has been filed by the respondents. |