

SEC/Enforcement/541/2006/343  
April 4, 2007

1. Pharma Aids Limited, 345, Segunbagicha, Dhaka-1000.
2. Directors, Pharma Aids Limited, 345, Segunbagicha, Dhaka-1000.
3. Managing Director, Pharma Aids Limited, 345, Segunbagicha, Dhaka-1000.
4. Company Secretary, Pharma Aids Limited, 345, Segunbagicha, Dhaka-1000.

Subject: Non-compliance of securities laws: In connection with disseminating AGM date, time and venue in spite of declared dividend in the board of directors meeting held on November 12, 2006-WARNING

As per section 2(g) of the Securities and Exchange Ordinance, 1969 (ORDINANCE No. XVII OF 1969) Pharma Aids Limited is an issuer (herein after referred to as issuer).

As per the Commission's Notification No. SEC/CMRRCD/2001-14/24/Admin/03-03 dated November 26, 2001, gazetted on December 10, 2001, issued under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969), imposed the following conditions upon the issuers of securities, namely:-

1. "The Board of Directors of the issuer Company of a listed security, while considering/adopting any audited financial statement, shall, in the same board meeting, also fix the date of relevant annual general meetings and take specific decisions with regard to:

a) Recommending or not recommending dividend for the shareholders on the basis of said financial statements; and

b) The shareholders who shall be entitled for such dividend, if recommended.

2. The decision about recommending or not recommending dividend and entitlement for such dividend, if recommended can not be changed prior to holding of the annual general meeting in terms of condition 1 above".

It appeared from the issuer's letter dated November 12, 2006 that the board of the company recommended 25% dividend for the financial year 2005-2006 in its Board of Directors Meeting held on November 12, 2006 at 2:00 PM, but the issuer failed to fix the AGM date, time and venue.

The issuer's aforesaid activities tantamount to non-compliance of the securities related laws which appeared deliberate attracting penal provisions section 22 of the Securities and Exchange Commission Ordinance, 1969.

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A show-cause cum hearing notice dated December 21, 2006 was issued to the issuer and its directors as well as to the company secretary to explain the defaults and to appear at the hearing on January 29, 2007. Mr. Khandker Hasan Reza, Corporate Secretary appeared at the hearing. In course of hearing, the issuer submitted a letter dated January 29, 2007 stating, among others, that due to non getting confirmation of the venue of AGM they could not fix the AGM date and time. The issuer further stated referring to the said letter that they held the AGM on December 24, 2006 and price sensitive information was also published in the daily newspaper on November 11, 2006.

The Commission, considering their submissions, has decided to dispose of the proceedings against Pharma Aids Limited and others concerned by placing on record the Commission's dissatisfaction on the default/contravention made by you/issuer, with a warning to ensure compliance of all securities related laws in future.

Please note that this disposal does not absolve you from your lawful responsibilities/obligations to any person, if affected, as a result of the said default.

For and on behalf of the Securities and Exchange Commission

Mansur Alam  
Executive Director

Copy for information:  
Chief Executive Officer, Dhaka Stock Exchange Ltd.

Chief Executive Officer, Chittagong Stock Exchange Ltd.  
Executive Director (R&D), SEC  
Executive Director (SRMID), SEC  
Director (MIS), SEC  
Chairman's Office, SEC