

SEC/Enforcement/86/2002/438
August 28, 2005

By Special Messenger
By Courier Service

1. Pharmaco International Limited, House # 259, Lane# 19, Lake Road, New DOHS, Dhaka-1206.
2. Directors, Pharmaco International Limited, House # 259, Lane# 19, Lake Road, New DOHS Dhaka-1206.
3. The Managing Director, Pharmaco International Limited, House # 259, Lane# 19, Lake Road, New DOHS Dhaka-1206.

Subject: Non-compliance of securities laws in connection with holding of AGM in the year 2003-WARNING.

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

As per condition (a) of the Notification issued under the said Ordinance, bearing No. SEC/SRMI/2000-953/1950 dated 24th October 2000, gazetted on 7 November 2000, 'The issuer companies shall hold their annual general meetings in each year of the Gregorian calendar' (imposed under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969) by the Securities and Exchange Commission), but the issuer failed to comply the same by not holding its AGM in the year 2003.

Failure to hold AGM in the said year is clear violation/contravention of the above mentioned Notification attracting penal provision of section 22 of the Securities and Exchange Ordinance, 1969.

A show-cause notice was issued on 04/03/04 for the said failure. In reply through letter dated 08/03/04, the issuer stated, among others, that it could not utilize its full production, company recognized as sick industry, company situation deteriorated for Iraq war, trying to get permission from Hon'ble High Court etc. which were not considered as acceptable for not holding AGM in 2003. As such, the issuer and its directors, including the Managing Director, were called for hearing on 28/10/2004. Mr. Amzad Hossain Director and Mr. Shahid Haider, Coordinator appeared at the hearing. In course of hearing, they stated that due to non-completion of financial statements for the years 2002 and 2003 and shortage of working capital, they could not hold AGM in 2003 which were also not considered acceptable grounds for the said default in holding AGM in 2003. Therefore, the Commission, vide order No.SEC/Enforcement/86/2002/135 dated 22/31 March, 2005 imposed penalty of Tk. one lac upon each of the directors of the Pharmaco International Limited for the stated default, violation/contravention.

The issuer through letter dated 12/04/2005 requested for waiver of the penalty and informed through further letter dated 28/05/2005 about convening of its pending AGM on 29/06/2005.

However, the Commission, after taking into consideration holding of the pending AGM on 29/6/2005, has decided to waive the penalty imposed upon the directors vide Order No.SEC/Enforcement/86/2002/135 dated 22/31 March, 2005, and also to dispose of further proceedings against Pharmaco International Limited and others concerned for the stated violation, by placing on record the Commission's dissatisfaction on the default, violation/contravention made by the company and its directors and with a warning to ensure compliance of all securities related laws in future.

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Please note that this disposal does not absolve the issuer or any of its directors or officers concerned from their lawful responsibilities/obligations to the persons, if any, affected as a result of the issuer's above said default.

For 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.

Distribution:

Executive Director, (R & D), SEC

Executive Director, (CFD), SEC

Director, (MIS), SEC