

SEC/Enforcement/353/2005/661
December 12, 2005

Pharmaco International Limited (Issuer)
House No. 259, Lane 19, Ground Floor, Lake Road, New DOHS, Mohakhali, Dhaka -1206

Directors
Pharmaco International Limited
House No. 259, Lane 19, Ground Floor, Lake Road, New DOHS, Mohakhali, Dhaka -1206

The Managing Director
Pharmaco International Limited
House No. 259, Lane 19, Ground Floor, Lake Road, New DOHS, Mohakhali, Dhaka -1206

The Company Secretary
Pharmaco International Limited
House No. 259, Lane 19, Ground Floor, Lake Road, New DOHS, Mohakhali, Dhaka -1206

Subject: Non-compliance of securities laws – WARNING

Pharmaco International Limited, through letter dated May 29, 2005 sent notice of 22nd, 23rd and 24th AGMs of the company to DSE, which DSE received on June 2, 2005. The issuer failed to furnish complete information of AGM like time, venue, book closure and dividend etc. in the above mentioned letter.

The Commission by the 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), has imposed the following conditions upon the issuers of listed securities, namely: -

- “1. The board of directors of the issuer company of a listed security, while considering/adopting any audited financial statements, shall, in the same board meeting, also fix the date of relevant annual general meeting 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, cannot be changed prior to holding of the annual general meeting in terms of condition 1 above.”

The Commission's Order No. GmBim/GmAviGgAvBilW/2000-985/2248/c02/1 Zwi Lt 19 Wtm=†, 2000 Bs gazetted on 25.02.2001, also reads as under:

mmiKDwiUR I G- tPÁ Kugkb (mjeavtfvMx-e'emv wbl xKiY) cLeavbgjv, 1995 Gi cLeavb 3, Dc-cLeavb(2) G c0 É ¶lgZietj Kugkb GZ0viv gj " mste`bkxj Z_" mieivtni wbtav3 c×wZ wba¶Y Kwij, h_vt-

- (1) óK G- tPÁ Zvwj Krf3 c0ZuU wmiKDwiUR BmjKvix Dnvi tKvb gj " mste`bkxj Z_" mskó wel tq um×vS-M0tYi wlk wgnbtUi gta` wKsev Z_uU Dnvi tMvPti Avmvi Zwi tLB Zvr¶wYKfvte Dnvi tPqvi g`vb, c0vb wbe¶x KgKZP ev tKv=úvbx mipe Gi ¶¶ti wj wLZfvte GKB mvt_ wmiKDwiUR I G- tPÁ Kugkb Ges mskó óK G- tPÁ (hw` Dfq G- tPÁ Zvwj Krf3 _vtK Zte GKB mvt_ Dfq G- tPÁ) Gi wBKU d`v. I wetkl evZPevK gvi dZ, t¶¶wetkl! Kwiv qvi mwf¶thvM, tcdY Kwite; Ges D3 Z_`Biu eúj cPwi Z % wBK cwi KvqI (GKuU evsjv Ges AciuU Bsti Rx) Awej t=^cKvkbv wbu0Z Kwite;

- (2) Zvjv Kvrf³ mwKDwi wU BmjKvix KZK tci Z I cKwKZ D³ ijc Z_ wUtz BmjKvixi cwi Pjv bv cI® i mwvS-MhYi Zwi L I mgq, wKsev t¶t gZ Z_ wU Dnvi tMvPt i Avmvi Zwi L, Dñj-L KwitZ nBte;
- (3) mskó ÷K G- tPÄ D³ Z_ cWß gvT B Z_ wU wDR gubUti i gva"tg cPvi Kwite|ó

It appeared to the Commission that the issuer has failed to disclose the matters relating to the board decision on 22nd, 23rd and 24th AGM of the company to the shareholders of the company as per the provisions of the said Order No. GmBmw/GmAvi GgAvBwW/2000-985/2248/c002/1 Zwi L: 19 wWtm=†, 2000Bs, gazetted on 25.02.2001 and Notification No. SEC/CMRRCD/2001-14/24/Admin/03-03 dated November 26, 2001, gazetted on December 10, 2001.

The issuer's aforesaid failures/activities tantamount to non-compliance of the securities laws which appeared to be deliberate and clear contravention of the above provisions attracting penal provisions of the Securities and Exchange Ordinance, 1969.

A hearing notice No.SEC/Enforcement/353/2005/466 dated September 6, 2005 was issued to the above persons to appear for hearing for above said non-compliance/contravention, along with written explanation, on September 15, 2005.

The issuer submitted vide letter dated August 30, 2005 No. PI/2005/0090 that it was not known to them to inform within 30 minutes of holding of the meeting by Fax or by Courier. But as per rule, they have duly advertised the notice of AGM in two News Papers on June 9, 2005. As the clause stated in the SEC's letter were not known to the issuer, they were unable to take necessary action in time and, as such, they humbly requested to excuse for the first time. They also have assured to abide by SEC's instructions in future.

The above contentions were not considered acceptable to the Commission because the said requirements have been published in the Bangladesh Gazette.

However, the Commission, considering the all above and assurance for future compliance with the securities laws, has decided to dispose of the proceedings against yourselves by placing on record the Commission's dissatisfaction on the defaults/contraventions made by you, with a strong 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 your above said defaults.

For the Securities and Exchange Commission

Mansur Alam
Executive Director

Distribution:

Chief Executive Officer, Dhaka Stock Exchange Ltd.
Chief Executive Officer, Chittagong Stock Exchange Ltd.

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Mansur Alam
Executive Director