

SEC/Enforcement/359/2005/660
December 12, 2005

Meghna Shrimp Culture Limited (Issuer)
Regd. Office : Jiban Bima Bhaban, 1st Floor, 56, Agrabad C/A, Chittagong.
Dhaka Office: TMC Building, 5th Floor, 52, New Eskaton Road, Dhaka-1000

Directors
Meghna Shrimp Culture Limited
Regd. Office : Jiban Bima Bhaban, 1st Floor, 56, Agrabad C/A, Chittagong.
Dhaka Office: TMC Building, 5th Floor, 52, New Eskaton Road, Dhaka-1000

Managing Director
Meghna Shrimp Culture Limited
Regd. Office : Jiban Bima Bhaban, 1st Floor, 56, Agrabad C/A, Chittagong.
Dhaka Office: TMC Building, 5th Floor, 52, New Eskaton Road, Dhaka-1000

Company Secretary
Meghna Shrimp Culture Limited
Regd. Office : Jiban Bima Bhaban, 1st Floor, 56, Agrabad C/A, Chittagong.
Dhaka Office: TMC Building, 5th Floor, 52, New Eskaton Road, Dhaka-1000

Subject: Non-compliance of securities laws – WARNING

It appeared from the issuer's letter No. MSCL/HO/2005/702 dated July 24, 2005 that Meghna Shrimp Culture Limited has changed the book closure date from July 27, 2005 to August 1, 2005, in respect of holding of 9th, 10th, 11th and 12th AGMs.

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.”

It revealed from the above that the issuer has violated the Commission's said Notification by changing the book closure date as stated above.

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

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A show cause-cum-hearing notice No.SEC/Enforcement/359/2005/454 dated September 1, 2005 was issued to the above persons to appear for hearing for above said non-compliance/contravention, along with the written explanation, on September 11, 2005.

The issuer in a written explanation dated September 21, 2005 mentioned that the Managing Director was in Canada in Mid-July and due to return home by 24th July and accordingly date of Annual General Meeting was fixed for 27th July, 2005. But owing to major dislocation of air flights, the Managing Director could not return as per schedule of AGM. For this reason, they changed the date of AGM as well as the date of book closure. They mentioned that the changing of book closure date had been done out of ignorance about legal provision. The issuer also mentioned that they have realised that their decision about book closure vis-a-vis shifting of Annual General Meeting date was irregular and wrong in the eye of SEC regulation for which they regretted and apologised.

The Commission, considering the all above as well as assurance given in course of hearing 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, 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 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