

SEC/Enforcement/162/2003/399

July 30, 2005

By Special Messenger

By Courier Service

1. Gachihata Aquaculture Farms Limited, Baridhara Central Plaza, 87, Sarwardi Avenue, Baridhara Dhaka-1212.

2. Directors,
Gachihata Aquaculture Farms Limited, Baridhara Central Plaza,
87, Sarwardi Avenue, Baridhara, Dhaka-1212.

3. Chairman & Managing Director, Gachihata Aquaculture Farms Limited, Baridhara Central Plaza,
87, Sarwardi Avenue, Baridhara, Dhaka-1212.

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) Gachihata Aquaculture Farms 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 a clear violation/contravention of the above mentioned Notification which attracts penal provision of section 22 of the Securities and Exchange Ordinance, 1969.

A show-cause dated 17/02/2005 was issued to the issuer/you for the said failure. In reply through letter dated 01/03/04, the issuer stated, among others, that it could not be possible to hold the AGM in the year 2003 because of " We have been dragged to the Honorable High Court for decision taken in the last AGM held on 24.12.2002. Till disposal of the case is received from the Honorable High Court, we will not be able to prepare agenda for the AGM and as such can not hold the AGM". The above reasons for not-holding AGM in 2003 were not considered acceptable. As such, the issuer's directors and the Managing Director were called for hearing on 16/02/2005. Major Retd. Akhtaruzzaman, Chairman & Managing Director appeared at the hearing. In course of hearing, the Managing Director stated that it could not be possible to hold the AGM till receipt of the said court order.

However, the Commission, after taking into consideration holding of the defaulted AGM by the issuer on 15/06/2005, has decided to dispose of the proceedings against Gachihata Aquaculture Farms Limited and others concerned for the stated violation, by placing on record the Commission's dissatisfaction on the default made by the company, its directors and its officials concerned, with a strong warning to ensure compliance of all securities related laws in future.

Contd.....P-2

SEC/Enforcement/162/2003/399

July 30, 2005

By Special Messenger

By Courier Service

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