

SEC/Enforcement/189/2003-211
October 26, 2003

By Special Messenger
By Courier Service

Engr. Md. Shariful Islam
Managing Director
Beach Hatchery Ltd.
TMC Building (8th Floor)
52, New Eskaton Road
Dhaka-1000

Dear Sir:

Subject: Non-compliance of securities laws - WARNING

Reference is made to the notice for hearing SEC/Enforcement/189/2003-193 dated September 20, 2003 and hearing conducted on September 28, 2003.

The Commission issued show-cause notice SEC/Enforcement/189/2003-174 dated September 02, 2003 in terms of certain activities of the issuer and its managing director as mentioned in the show-cause notice under reference, among others, failure to comply with the condition of the prospectus regarding payment of 15% dividend i. e. Tk. 1.50 per share of Tk. 10.00 each to the preference shareholders of the issuer as well as the provisions of the securities laws (CCI's Notification No. SRO 385-LAW/91 dated 15.12.1991; being the order made under section 2G of the Securities and Exchange Ordinance, 1969) regarding payment of dividend and also failure to honour the dividend cheques of the preference shareholders on the ground of shortage of fund.

Mr. Engr. Md. Shariful Islam, Managing Director of Beach Hatchery Limited in response to the Commission's show-cause notice under reference by letter BHL/HO/2003-453 dated September 08, 2003, read with letter BHL/HO/2003-454 dated September 11, 2003 acknowledged the Commission's allegation made regarding non-compliance of securities laws and sought apology. The persons present at the hearing also sought apology for the issuer's failure to comply with the relevant provisions of securities laws and assured these would not happen again in future. At a later stage the issuer furnished relevant papers including the authenticated bank statement up to 25.09.2003 commensurate with the hearing which reveals that out of total amount of dividend worth Tk. 114.00 lac, total payment made as on 04.10.2003 stood at Tk. 1,09,70,299.00 including Tk. 4,24,815.00 as income tax deducted at source.

The Commission, after considering the submissions of beg to be condoned and assurance given for compliance of securities related laws in future by Mr. Engr. Md. Shariful Islam, Managing Director of Beach Hatchery Limited by his letters under references and by the persons present at the time of hearing, has decided to dispose of the proceedings against the issuer by placing on record the Commission's dissatisfaction on the default made and with a warning to comply with all securities related laws in future.

For and on behalf of the Securities and Exchange Commission

Sirajul Huq
Deputy Director