

SEC/Enforcement/313/2005/300  
June 26, 2005

By Special Messenger  
By Courier Service

Managing Director  
M/s Karnaphuli Insurance Company Limited  
Head Office: Biman Bhaban (3<sup>rd</sup> Floor), 100, Motijheel C/A, Dhaka-1000

Dear Sir:

**Sub: Contravention of Commission's Order No. GmBim/GmAvi GgAvBim/2000-985/2248/c002/1 Zwi Lt 19 Wtm=ft, 2000 Bs, gazetted on 25.02.2001-Warning**

It revealed from our record that M/s Karnaphuli Insurance Company Limited sold a land measuring 3.965 Khata located at 11, Toyenbee Circular Road, Motijheel C/A, Dhaka to Meghna Life Insurance Company Limited and on inquiry M/s Karnaphuli Insurance Company Limited through letter Ref: KIC/HO/Sec(01)/3/2005-618 dated March 10, 2005 admitted the same.

The abovementioned sale of land falls under the purview of price sensitive information as defined in the Securities and Exchange Commission (Amendment) Act, 1997. The Commission's Order No. GmBim/GmAvi GgAvBim/2000-985/2248/c002/1 Zwi Lt 19 Wtm=ft, 2000 Bs, gazetted on 25.02.2001, reads as under:

Securities and Exchange Commission (Amendment) Act, 1997 Gi Section 3, Dc-sec (2) G c0E  
Section 3, Dc-sec (2) G c0E

(1) óK G. pÄ Zwi Kvf<sup>3</sup> c0Zwi Securities and Exchange Commission (Amendment) Act, 1997 BmjKvi x Drvi tKvb gj " mste` bkxj Z" msikó Section 3, Dc-sec (2) G c0E  
Section 3, Dc-sec (2) G c0E  
G. pÄ Zwi Kvf<sup>3</sup> Ges msikó óK G. pÄ (hr` Dfq G. pÄ Zwi Kvf<sup>3</sup> \_vtK Zte GKB mvt\_ Dfq G. pÄ) Gi Section 3, Dc-sec (2) G c0E I Section 3, Dc-sec (2) G c0E evZ<sup>3</sup> evnK Section 3, Dc-sec (2) G c0E gi dZ, t<sup>3</sup> Section 3, Dc-sec (2) G c0E Kwi qvi Section 3, Dc-sec (2) G c0E t<sup>3</sup> Y Kwi te; Ges D<sup>3</sup> Z" `Bil eúj cPwi Z % Section 3, Dc-sec (2) G c0E cwi Kvl (GKil evsj v Ges Section 3, Dc-sec (2) G c0E Bsti Rx) Awej t<sup>3</sup> cKvkv Section 3, Dc-sec (2) G c0E Kwi te;

(2) Zwi Kvf<sup>3</sup> Securities and Exchange Commission (Amendment) Act, 1997 BmjKvi x KZR t<sup>3</sup> Z I cKwkZ D<sup>3</sup> ijc Z" Section 3, Dc-sec (2) G c0E BmjKvi xi Section 3, Dc-sec (2) G c0E Pj bv Section 3, Dc-sec (2) G c0E I Section 3, Dc-sec (2) G c0E m<sup>3</sup> gq, Section 3, Dc-sec (2) G c0E t<sup>3</sup> gZ Z" Section 3, Dc-sec (2) G c0E Drvi tMvti Avmi Zwi L, D<sup>3</sup> L Kwi tZ nBte;

(3) msikó ÷ K G. pÄ D<sup>3</sup> Z" c0B Section 3, Dc-sec (2) G c0E gv<sup>3</sup> B Z" Section 3, Dc-sec (2) G c0E Section 3, Dc-sec (2) G c0E i gva<sup>3</sup> t<sup>3</sup> cPvi Kwi te|ó

It appeared to the Commission that the issuer has failed to disclose the matters relating to sale of land as per the provisions of the Order No. GmBim/GmAvi GgAvBim/2000-985/2248/c002/1 Zwi Lt 19 Wtm=ft, 2000 Bs gazetted on 25.02.2001; and

The issuer's aforesaid activities tantamount non-compliance of the securities laws which appeared to be deliberate and clear contravention of the provisions of the Order mentioned above attracting penal provisions of the Securities and Exchange Ordinance, 1969, read with Securities and Exchange Commission Act, 1993, Securities and Exchange Commission (Amendment) Act, 1997 and Securities and Exchange Commission (Amendment) Act, 2000.

However, the Commission, after considering your submissions, this time, has decided to dispose off the proceedings against you by placing on record the Commission's dissatisfaction on the default made and with a warning to ensure compliance of all securities related laws in future.

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

Distribution:

Chief Executive Officer, Dhaka Stock Exchange Ltd.  
Chief Executive Officer, Chittagong Stock Exchange Ltd.  
Managing Director, Meghna Life Insurance Limited, Biman Bhaban(2<sup>nd</sup> Floor), 100 Motijheel C/A,  
Dhaka-1000

Copy for information:

Executive Director, SRMID, SEC  
Executive Director, CFD, SEC  
Director, LSD, SEC