SEC/Enforcement/334/2005/591
June 6, 2006

Rangpur Foundry Limited (Issuer)
Property Heights, 12, RK Mission Road, GPO Box No. 83, Dhaka-1203

Directors
Rangpur Foundry Limited, Property Heights, 12, RK Mission Road, GPO Box No. 83, Dhaka-1203

The Managing Director
Rangpur Foundry Limited, Property Heights, 12, RK Mission Road, GPO Box No. 83, Dhaka-1203

The Company Secretary
Rangpur Foundry Limited, Property Heights, 12, RK Mission Road, GPO Box No. 83, Dhaka-1203

Sub: **Non compliance of securities law-Warning**

As per section 2(g) of the Securities and Exchange Ordinance, 1969 (ORDINANCE No. XVII Of 1969) Rangpur Foundry Limited is an issuer (herein after referred to as issuer).

Clause (b) of the Commission's Order No.SEC/CFD-71/2001/Admin/02/05 dated January 3, 2002, gazetted on January 30, 2002, reads as follows:

"The issuer company shall not appoint any firm of chartered accountants as its statutory auditor for a consecutive period exceeding three years:

Provided that this provision shall not apply in the case of auditors who will have audited consecutively for three years upon completion of their current assignment:

Provided further that the issuer may continue with the existing statutory auditor subject to the clearance of the Commission if it recommends at least 10% dividend on the face value/paidup capital or 7.5% on the net worth, whichever is higher, for the year immediately preceding the year for which the statutory auditor is appointed."

The issuer re-appointed M/s. M.J Abedin & Co., Chartered Accountants, as statutory auditor of Rangpur Foundry Limited for the financial years 2004 and 2005, i.e. for further period of consecutive three years, without SEC's prior clearance.

Above appointment tantamount to violation of above condition of the aforesaid order issued under section 2CC of the Securities and Exchange Ordinance, 1969.

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A hearing notice No.SEC/Enforcement/323/2005/405 dated August 3, 2005 was issued to yourselves for explaining the said non-compliance for the year 2004, which was duly delivered. But the issuer failed to appear at hearing, which was followed by another hearing notice No.SEC/Enforcement/334/2005/448 dated April 20, 2006. Subsequently, a show cause cum hearing notice No. SEC/Enforcement/334/2005/473 dated May 4, 2006 was issued to the issuer for the same violation of the year 2005. The hearing was conducted on May 10, 2006.

The persons appeared at hearing submitted papers mentioning, among others, that due to their oversight they failed to seek the Commission's clearance and requested to condone the non-compliance. They also assured for future compliance of SEC's rules in that regard.

The Commission, considering the all above, has decided to condone the non-compliance of the issuer and to dispose of the proceedings against it with warning for the stated violation.

Please note that this disposal does not absolve the issuer or any of its directors or officials concerned from their lawful responsibilities/obligations to the persons, if any, affected as a result of the issuer's above said defaults.

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.
Executive Director (R & D), SEC
Executive Director (CFD), SEC
Director (MIS), SEC
Chairman's Office, SEC