

SEC/Enforcement/763/2009/758
October 12, 2009

By Special Messenger

1. Karnaphuli Insurance Company Ltd. (Issuer)
Head Office, Biman Bhaban (3rd Floor), 100 Motijheel C/A, Dhaka-1000
2. Directors
Karnaphuli Insurance Company Ltd.
Head Office, Biman Bhaban (3rd Floor), 100 Motijheel C/A, Dhaka-1000
3. Managing Director
Karnaphuli Insurance Company Ltd.
Head Office, Biman Bhaban (3rd Floor), 100 Motijheel C/A, Dhaka-1000
4. Company Secretary
Karnaphuli Insurance Company Ltd.
Head Office, Biman Bhaban (3rd Floor), 100 Motijheel C/A, Dhaka-1000

Sub: Non-compliance with securities related laws in connection with audited financial statements for the year ended on December 31, 2007: Warning.

This refers to the Commission's show cause cum hearing notice No. SEC/Enforcement/763/2009/396 dated June 01, 2009, based on which the hearing was conducted on June 14, 2009 and your explanations submitted to the Commission vide letter dated June 11, 2009, in respect of the said notice.

The Commission, considering your explanations/submissions, has decided to dispose of the proceedings against yourselves, by placing on record the Commission's dissatisfaction on the default/contravention made by you, 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 default/contravention.

For the Securities and Exchange Commission

Md. Monsur Rahman
Deputy Director

CC:

1. CEO, Dhaka Stock Exchange Ltd.
2. CEO, Chittagong Stock Exchange Ltd.
3. Director (R & D), SEC
4. Director (MIS) SEC
5. Director (CFD), SEC
6. Chairman's Office, SEC