

SEC/Enforcement/300/2005/110

March 16, 2005

1. Quasem Silk Mills Limited, 107, Motijheel C/A, Dhaka-1000.
2. Directors, Quasem Silk Mills Limited, 107, Motijheel C/A, Dhaka-1000.
3. The Managing Director, Quasem Silk Mills Limited, 107, Motijheel C/A, Dhaka-1000.
4. The Company Secretary, Quasem Silk Mills Limited, 107, Motijheel C/A, Dhaka-1000.

Sub: SHOW CAUSE in connection with the matter of non-compliance of the Commission's Directive No. SEC/Enforcement/300/2005/14 dated 12/1/2005 (Non holding of AGM in 2004)

Whereas, as per section 2 (g) of the Securities and Exchange Ordinance, 1969 (ORDINANCE No. XVII OF 1969) Quasem Silk Mills Limited is an issuer (herein after referred to as "issuer");

Whereas, as per condition (a) of the Commission's Notification 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' as imposed under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969) by the Securities and Exchange Commission;

Whereas, the said issuer has contravened the above condition by not holding annual general meeting in the year 2004;

Whereas, a Directive No. SEC/Enforcement/300/2005/14 dated January 12, 2005 was issued under section 20A of Securities and Exchange Ordinance, 1969 to 'Quasem Silk Mills Limited' and its directors including the Managing Director and the company secretary for holding Annual General Meeting defaulted in the year 2004 within 60 days i.e. by 12/3/2005;

Whereas, the issuer has also failed to comply with the said directive of the Commission; and

Whereas, contravention and failure to comply with the Commission's above mentioned Notification and directive appeared to be deliberate and detrimental to the interest of the investors in securities issued by the said issuer affecting discipline and development of the capital market which attract penal provisions of section 22 of the Securities and Exchange Ordinance, 1969.

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SEC/Enforcement/300/2005/110

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Now, therefore, you are hereby given an opportunity to submit to the Commission written explanation within 7(seven) days of service of this notice showing cause as to why appropriate action should not be taken by the Commission against the said issuer, its managing director, its board of directors, and the company secretary under section 22 of the Securities and Exchange Ordinance, 1969, for the above stated contravention and failure.

For the Securities and Exchange Commission

Md. Jahangir Alam
Deputy Director

Copy to:

- Chief Executive Officer, Dhaka Stock Exchange
- Chief Executive Officer, Chittagong Stock Exchange
- Executive Director(CFD), SEC
- Director(LSD), SEC
- Director(MIS), SEC