

SEC/Enforcement/289/2004/79
March 21, 2005

By Special Messenger
By Courier Service

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

Subject: **Non-compliance with the Depositories Act, 1999 and the Central Depository Bangladesh Limited By Law 9.1.6-Warning**

This refers to the Commission's letter No. SEC/Enforcement/289/2004/474 dated December 13, 2004 and No. SEC/Enforcement/ 289/2004/38 dated January 31, 2005 and your reply letters No. QDL: 2004: 1289 dated December 22, 2004 and No. QDL: 2004: 328 dated February 6, 2005, and subsequent hearing held on February 28, 2005.

The Central Depository Bangladesh Limited (CDBL) Bye Laws 9.1.6 states that – “ The issuer is responsible for ensuring that only valid dematerialisation requests are confirmed to CDBL and warrants that such Securities exist, are validly issued and stand in the Company Register in the name of the Account Holder who has sought dematerialisation in respect of those Securities”.

Based on the complaints received from Dhaka Stock Exchange and a depository participant, it revealed that Quasem Drycells Limited violated relevant provisions the Depositories Act, 1991 and the Central Depository Bangladesh Limited (CDBL) Bye Laws by refusing to demat of odd lots shares of your company.

However, the Commission, after considering the confirmation about your dematting of odd lot shares, has decided to dispose of the proceedings against Quasem Drycells Limited and others concerned for the stated violation, by placing on record the Commission's strong dissatisfaction on the defaults made by the company and its official concerned, 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 defaults.

For the Securities and Exchange Commission

Mansur Alam
Executive Director

Distribution:

Chief Executive Officer, Dhaka Stock Exchange Ltd.
Chief Executive Officer, Chittagong Stock Exchange Ltd.

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