No. SEC/Enforcement/665/2008/67 **By Special Messenger**
January 19, 2009

<u>Directive</u>

Whereas, in terms of section 2(g) of the Securities and Exchange Ordinance, 1969 (XVII of 1969), Quasem Silk Mills Limited is an issuer of securities (hereinafter called the "issuer");

Whereas, in order to enhance corporate governance in the interest of investors and the capital market as a whole, the issuer of listed securities with any stock exchange in Bangladesh should comply with some conditions imposed on "comply or explain basis";

Whereas, as per condition 5 of Notification No.SEC/CMRRCD/2006-158/Admin/02-08 dated February 20, 2006 issued under section 2CC of the Securities and Exchange Ordinance, 1969 the issuer of listed securities shall enclose a report in the director's report of its annual report showing its compliance status with conditions of the said Notification, but the issuer has failed to comply with it;

Whereas, a show-cause cum hearing notice dated March 23, 2008 was issued under section 22 of the Securities and Exchange Ordinance, 1969 to the issuer and its director as well as to the Company secretary to explain the default and to appear at the hearing on April 21, 2008;

Whereas, in course of hearing, the issuer representatives had committed to comply the above Notification regarding Corporate Governance Guidelines within six month from the date of hearing i.e. April 21, 2008, but the issuer failed to comply with it;

Whereas, in view of all above, the Commission deems it to be expedient that, in the interest of the investors in securities and the capital market as well, a directive to the issuer company as well as to and its directors should be given for proper compliance of the above Notification.

Now, therefore, the Securities and Exchange Commission, in exercise of its power conferred in it by section 20A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), hereby directs M/s Quasem Silk Mills Limited and its directors concerned to ensure the compliance of the above Notification regarding Corporate Governance Guidelines within 1(one) months from the date of this directive.

By order of the Securities and Exchange Commission

Farhad Ahmed
Executive Director

<u>Distribution:</u>
Quasem Silk Mills Limited, 107, Motijheel C/A, Dahak-1000.

<u>Copy to:</u>
Chief Executive Officer, Dhaka Stock Exchange Limited
Chief Executive Officer, Chittagong Stock Exchange Limited
Executive Director (R&D), SEC
Executive Director (SRMID), SEC
Director (MIS), SEC
Director (CFD), SEC
Chairman's Office, SEC