SEC/Enforcement/300/2005/759 **By Special Messenger**
June 18, 2008

1. Quasem Silk Mills Limited, 107, Motijheel C/A, Dhaka-1000.

2.Directors, Quasem Silk Mills Limited, 107, Motijheel C/A, Dhaka-1000.

3. Managing Director, Quasem Silk Mills Limited, 107, Motijheel C/A, Dhaka-1000.

4. Company Secretary, Quasem Silk Mills Limited, 107, Motijheel C/A, Dhaka-1000.

Sub: Non-compliance of securities laws: In connection with the submission of half yearly financial statements for the half year ended on March 31, 2008: Warning.

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 an "issuer").

As per rule 13 of the Securities and Exchange Ordinance, 1987, issued under the said Ordinance, as amended through Notification No.SEC/LSD/SER-1987/149 dated 4th January 2000, gazzeted on 16th February 2000, every issuer shall, within one month of close of first half year to transmit the stock exchange in which its securities are listed, to the security holders and to the Commission half yearly financial statements which shall be prepared in the same manner and form as the annual financial statements which the issuer company has failed to comply with by not submitting the half yearly financial statements for the half year ended on March 31, 2008.

Failure to submit the said financial statement is clear violation/contravention of the abovementioned rules attracting penal provision of section 22 of the Securities and Exchange Ordinance, 1969.

A show-cause cum hearing notice was issued to the issuer and its directors to explain the default and also to appear at the hearing on June 16, 2008. In course of hearing the issuer submitted an explanation dated June 15, 2008 stating, among others, that their accounts personnel left the company due to closure of the factory, which was difficult to submit the statements in time. However, they submitted the said half yearly financial statements on June 15, 2008 with one & half months delay.

The Commission, taking into consideration of subsequent submission of the said half yearly financial statements, has decided to dispose of the proceedings by placing on record the Commission's dissatisfaction on the default, made by the issuer with a warning to ensure compliance of the 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 result of the issuer's above said default.

For Securities and Exchange Commission

Farhad Ahmed
Executive Director (Enforcement)

Copy for information:
Chief Executive Officer, Dhaka Stock Exchange Limited
Chief Executive Officer, Chittagong Stock Exchange Limited
Executive Director (R& D), SEC
Director (MIS), SEC
Director (CFD), SEC
Chairman's Office, SEC