

SEC/Enforcement/42/2001/400
July 30, 2005

By Special Messenger
By Courier Service

1. Excelsior Shoes Limited, 345, Sugunbagicha, Dhaka-1000.
2. Directors, Excelsior Shoes Limited, 345, Sugunbagicha, Dhaka-1000.
3. The Managing Director, Excelsior Shoes Limited, 345, Sugunbagicha Dhaka-1000.

Subject: Non-compliance of securities law in connection with holding of AGM in the year 2003-WARNING.

As per section 2 (g) of the Securities and Exchange Ordinance, 1969 (ORDINANCE No. XVII of 1969) Excelsior Shoes Limited is an issuer (herein after referred to as "issuer").

As per condition (a) of the Notification issued under the said Ordinance, bearing ref. 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' (imposed under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969) by the Securities and Exchange Commission), but the issuer failed to comply the same by not holding its AGM in the year 2003.

Failure to hold AGM in the said year is a clear violation/contravention of the above mentioned Notification which attracts penal provision of section 22 of the Securities and Exchange Ordinance, 1969.

A show-cause notice dated 17/02/2004 was issued to the issuer/you for the said failure. In reply through letter dated 25/02/04, the issuer stated, among others, that it could not be possible to hold the AGM in the year 2003 due to unavoidable circumstances, i.e. they had filed a case under section 81(2) and 85(3) of the Company Act, 1994 before the High Court division of the Hon'ble Supreme Court being Company Matter No.14 of 2004 for condonation of delay in holding AGM with a prayer to hold the 15th AGM with next AGM i.e. 16th AGM at the same time. But those were not considered as acceptable grounds for not holding AGM in 2003. As such, the issuer's directors and the managing director were called for hearing on 21/10/2004. Mr. Ruhul Amin, Deputy Managing Director and Mr. K.H Reza, Corporate Secretary appeared at the hearing. In course of hearing, the managing director stated that it could not be possible to hold AGM due to non-receipt of Court Order.

However, the Commission, after taking into consideration holding of the pending AGMs by the issuer on 23/06/2005, has decided to dispose of the proceedings against Excelsior Shoes Limited and others concerned for the stated violation, by placing on record the Commission's dissatisfaction on the default made by the company, its directors and its officials concerned, with a strong warning to ensure compliance of all securities related laws in future.

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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 default.

For Securities and Exchange Commission

Mansur Alam
Executive Director

Copy for information:

Chief Executive Officer, Dhaka Stock Exchange Ltd.

Chief Executive Officer, Chittagong Stock Exchange Ltd.

Distribution:

Executive Director, (R & D), SEC

Executive Director, (CFD), SEC

Director, (MIS), SEC