SEC/Enforcement/42/2001/881 **By Special Messenger**

August 3, 2006

1. Excelsior Shoes Limited, 345, Segunbagicha, Dhaka-1000.

2. Directors, Excelsior Shoes Limited, 345, Segunbagicha, Dhaka-1000.

3. Managing Director, Excelsior Shoes Limited, 345, Segunbagicha, Dhaka-1000.

4. Company Secretary, Excelsior Shoes Limited, 345, Segunbagicha, 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, 2006 within stipulated time: 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 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 it by not submitting the half yearly financial statements for the half year ended on March 31, 2006.

Failure to submit the said financial statements is clear violation/contravention of the above mentioned Notification attracting penal provision of section 22 of the Securities and Exchange Ordinance, 1969.

A show-cause cum hearing notice dated July 3, 2006 was issued to the issuer and its directors to explain the said default and to appear at the hearing on July 13, 2006. Mr. Ruhul Amin, Deputy Managing Director and K.H Reza, Company Secretary appeared at the hearing and submitted a written explanation vide letter dated July 10, 2006 stating that they could not submit the said financial statements in time due to head of accounts was under treatment for a long time and subsequently he resigned from the service, another accountant appointed by the issuer but he could not join his due date and also stated that they have submitted the said financial statements on July 10, 2006 to the Commission vide letter dated July 10, 2006 and sought apology for the said delay.

The Commission, taking into consideration of furnishing of the said half yearly financial statements on July 10, 2006, has decided to dispose of the delayed submission 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 their 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

(A.K.M Ziaul Hasan Khan)
Director

Distributions:

Chief Executive Officer, Dhaka Stock Exchange Limited, Chief Executive Officer, Chittagong Stock Exchange Limited

Copy for information:

Executive Director (R& D), SEC
Executive Director (CFD), SEC.
Director (MIS), SEC. Chairman's Office, SEC