SEC/Enforcement/913/2011/160 **April 15, 2012**

Order

Whereas, as per section 2(g) of the Securities and Exchange Ordinance, 1969 (ORDINANCE No. XVII of 1969) Fine Foods Limited is an issuer (herein after referred to as an “issuer”);

Whereas, on the basis of an enquiry report of Securities and Exchange Commission a show cause-cum-hearing notice No. SEC/Enforcement/913/2011/159 dated March 21, 2011 has been issued to Mr. Juton Saha to appear at the hearing. In the show cause-cum-hearing notice among others following have been mentioned;-

Whereas, as per rule 2 (e) (i) (ii) and rule 2 (f)

“Insider Ó means any person who-

(i) is a director, main share holder, managing agent, banker, auditor, adviser, employee of any company.

(ii) has a relation with above person(s) mentioned at rule (i) and he has opportunity to know the price sensitive information for his relationship with the above mention person or with company.

2 (f) Ò Insider businesses Ó means any buy, sell or transfer of any securities on the basis of price sensitive information.

Whereas, as per rule 4(1) of Securities and Exchange Commission (prohibition of insider trading) rules 1995

“ No person shall on his own behalf or on behalf of others can not do or involve in insider trading or shall not provide any help or personal advice in this regard.”

Whereas, as per section 17(e)(v) of the Securities and Exchange Ordinance, 1969 (XVII of 1969),“No person shall, for the purpose of inducing, dissuading, effecting, preventing or in any manner influencing or turning to his advantage, the sale or purchase of any security, directly or indirectly,-

do any act or practice or engage in a course of business, or omit to do any act which operates or would operate as a fraud, deceit or manipulation upon any person, in particular-

directly or indirectly effect a series of transactions in any security creating the appearance of active trading therein or of raising of price for the purpose of including its purchase by others or depressing its price for the purpose of inducing its sale by others;”

Whereas, an enquiry was conducted by Securities and Exchange Commission regarding share trading of Fine Foods Limited.

Whereas, enquiry team reported that you are brother of Mr. Sujit Saha who is the chairman of Fine Foods Limited. Therefore, as per rule 2(e) (ii) of Securities and Exchange Commission (prohibition of insider trading) rules 1995, you are Ò Insider Ó person.

Whereas, from DSE’s website it is found that on October 28,2010 the board of directors of Fine Foods Limited has recommended stock dividend @25% for the year ended on June 30,2010 and on September 13,2010 the board of directors has decided to hold an EGM to increase Authorised Capital from 10.00 crore to 100.00 crore.These are price sensitive information.

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Whereas, enquiry team reported the following transactions of shares of Fine Foods Limited made by you:

MR. JUTON SAHA

Prime Finance & investment Limited

CLIENT CODE	DATE	BUY QTY	RATE	AMOUNT	SALE QTY	RATE	AMOUNT
0304	27.07.2010	81000	62.69	50,78,011			
	09.08.2010	60000	65.09	39,05,170			
TOTAL		**141000**		**8983181**			
Bank Asia Capital Market Division							
640							
Receive	03.02.10	29725					
Receive	23.02.10	500					
Receive	25.02.10	5958					
Buy	24.03.10	8500					
	25.03.10	375					
	12.04.10				3000		
	21.04.10				12000		
	06.05.10	17000					
	06.06.10	6000	53.56	321360			
	07.07.10	54000	52.44	2831760			
	26.07.10				10000	58.80	588000
	02.08.10				10000	64.90	649000
	05.08.10	10000	61.30	613000			
	09.08.10				20000	64.95	1299000
	16.08.10				10000	69.90	699000
	18.08.10				20000	70.00	1400000
	19.08.10	7000	68.90	482300			
	22.08.10				7000	79.80	558600
	03.10.10				18000	128.57	2314260
	07.10.10				3000	125.07	375210
	12.10.10				16000	128.00	2048000
	13.10.10				11500	130.27	1498105
	02.11.10	500	123.20	61600			
	10.11.10				2000		
TOTAL		**142558**			**142550**		

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Whereas, the enquiry team reported that you have known the above mentioned price sensitive informations before it's publish and you have bought and sold huge quantity of shares of Fine Foods Limited. The enquiry team further reported that you have manipulated the share price of Fine Foods Limited by series of transactions."

Whereas, the enquiry team has brought allegation of violating rule 4(1) of Securities and Exchange Commission (prohibition of insider trading) rules 1995 and section 17 (e) (v) of the Securities and Exchange Ordinance, 1969 (XVII of 1969), by insider trading and by effecting series of transactions respectively against Mr.Juton Saha.

Whereas, hearing has been conducted in this connection. Mr.Juton Saha has attended the hearing and submitted an explanation letter No. NIL dated April 06, 2011. In the letter among others the following were mentioned:

> "According to your letter no. SEC/Enforcement/913/2011 dated March 21, 2011; I want to inform you that since my involvement in share business, I have been conducting my business with my honesty, knowledge, dedication sincerity through my own investment. I have never availed of unfair opportunities by the above stated buy and sale of share of Fine Foods Limited. It is noted that by investing my capital in any sector of Stock Market such as Bank, Leasing Insurance on June,2010, I could earn a lot more.
>
> So, since I did not avails of the opportunities from the honorable Chairman or others of Fine Foods Limited during conducting my business, my kind request to you is to release me from the share related allegations and oblige thereby."

Whereas, after being heard of Mr.Juton Saha, the Commission has observed that Mr. Juton Saha is brother of Mr. Sujit Saha who is the chairman of Fine Foods Limited. Since he has bought and sold a huge quantity of shares of Fine Foods Limited before the publish of Price sensitive information, it is definite that he did this by taking the opportunity of early knowing of the aforesaid Price sensitive information vide Sujit Saha .Therefore, it is proved that Mr. Juton Saha has violated rule 4(1) of Securities and Exchange Commission (prohibition of insider trading) rules 1995.

Whereas, aforesaid written explanation of Mr. Juton Saha is not acceptable to the Commission.

Whereas, the aforesaid activities are tantamount to non-compliance of securities law, deliberate and clear contravention of the above mentioned rule 4(1) of Securities and Exchange Commission (prohibition of insider trading) rules 1995. The said violation attracts penal provision of section 18 Securities and Exchange Commission Act 1993.

Whereas, to protect the discipline and transparency of the capital market along with it's development the Commission deems it appropriate and necessary to impose penalty upon Mr. Juton Saha for the stated violation.

Now, therefore, Securities and Exchange Commission, in exercise of the power conferred by section 18 Securities and Exchange Commission Act 1993 hereby imposes penalty for Tk.44.00 (Tk. Forty Four) Lac only upon Mr. Juton Saha, which is to be deposited to the Commission in the form of Bank Draft/Payorder favouring 'Securities and Exchange Commission' within 15 days from the date of issuance of this order.

By order of the Securities and Exchange Commission

Professor Dr. M. Khairul Hossain
Chairman

Distribution:
Mr.Juton Saha
S/O Sujit Chandra Saha and Taposi Rani Saha, H# 162, Flat # F2, Shantinagar, Dhaka.

Note: This is a translation of the original order. If there is any conflict between original order and translation, provision of the original order will prevail.