SEC/Enforcement/913/2011/164 **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/913/2011/161 dated March 21, 2011 has been issued to Ms.Sheuli 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 sister 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 100.00crore.These are price sensitive informations.

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

MS. SEULI SAHA
Code # 676, Bank Asia Capital Market Division

CLIENT CODE	DATE	BUY QTY	RATE	AMOUNT	SALE QTY	RATE	AMOUNT
Opening Balance		1000					
676	06.06.10	3000	53.50	160500			
	07.06.10	1000	53.20	53200			
	07.07.10	13000	52.52	682760			
	26.07.10	5000	59.78	298900			
	05.08.10	3000	61.60	184800			
	12.08.10				3000	67.20	201600
	03.10.10				20000	128.73	2574600
	06.10.10				3000	122.90	368700
TOTAL		**26000**		**1380160**	**26000**		**3144900**

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, from the enquiry report it appeared that you have violated 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.**"**

Whereas, hearing has been conducted in this connection. Mr. Joydev Kumar Saha has attended the hearing on behalf of Ms.Sheuli Saha and submitted an explanation letter No. NIL dated April 04, 2011. In the letter among others the following were mentioned:

> "According to your letter no. SEC/Enforcement/913/2011/161 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."

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

Whereas, aforesaid written explanation of Ms.Sheuli 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, attracting 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 Ms.Sheuli 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.17.00 (Tk. Seventeen) Lac only upon Ms.Sheuli 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:
Ms.Sheuli Saha
D/O Sujit Chandra Saha and Taposi Rani Saha
43/1, Siddeswari Road (3rd floor)
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.