

SEC/Enforcement/221/2004/670

June 21, 2006

By Courier

1. Fine Foods Limited, House No.12, Road No.2 (1st floor), Nobodoy Housing Society, Mohammadpur Dhaka-1207.
2. Directors, Fine Foods Limited, House No.12, Road No.2 (1st floor), Nobodoy Housing Society, Mohammadpur Dhaka-1207.
3. Managing Director, Fine Foods Limited, House No.12, Road No.2 (1st floor), Nobodoy Housing Society, Mohammadpur Dhaka-1207.
4. Company Secretary, Fine Foods Limited, House No.12, Road No.2 (1st floor), Nobodoy Housing Society, Mohammadpur Dhaka-1207.

Subject: Non-compliance of securities laws: In connection with the disseminating Price Sensitive information regarding AGM held on December 26, 2005– WARNING

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 issuer);

The issuer has violated the Commission's Order No.GmBim/GmAvi GgAvBwW/2000-985/2248/cf-02/1 Zwi L 19 Wtmr1, 2000Bs not disseminating price Sensitive Information to the Chittagong Stock Exchange Limited due to legal action taken by CSE and not-publishing said information in the national dailies.

A show-cause cum hearing notice dated December 1, 2005 was issued to the issuer's directors as well as the company secretary to appear at hearing on December 14, 2005 and subsequently hearing held on April 2, 2006 despite of several notice given to the issuer. Mr. Iqbal Ahmed, Director, Mr. Sujit Saha, Executive Director and Mr. Rashidul Alam, Company Secretary appeared at the hearing and submitted a written explanation vide letter dated March 30, 2006. In the said letter, the issuer stated, among others, that they have submitted price sensitive information to the Commission and Dhaka Stock Exchange Limited only but did not disseminate the information to the Chittagong Stock Exchange Limited due to legal action taken by CSE and has regretted for not publishing the price sensitive information in the newspaper.

The issuer's aforesaid failures/activities tantamount to non-compliance of the securities laws, which appeared deliberate and clear contravention of the above-mentioned order attracting penal provisions of the Securities and Exchange Ordinance, 1969.

The Commission, considering their acknowledgement and regretting for the defaults, has decided to dispose of the proceedings against Fine Foods Limited by placing on record the Commission's dissatisfaction on the defaults/contraventions made by you/issuer, with a warning to ensure compliance of all securities related laws in future.

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Please note that this disposal does not absolve you from your lawful responsibilities/obligations to any person, if affected as a result of your above said default.

For the Securities and Exchange Commission

Mansur Alam
Executive Director

Distribution:

Chief Executive Officer, Dhaka Stock Exchange Ltd.

Chief Executive Officer, Chittagong Stock Exchange Ltd.

Copy for information:

Executive Director (R&D), SEC

Executive Director (SRMID), SEC

Director (MIS), SEC

Chairman's Office, SEC