



01st March, 2024

National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051. Symbol: ADFFOODS	BSE Limited, Department of Corporate Services, Phiroze Jeejeebhoy Towers , Dalal Street, Mumbai - 400 001. Scrip Code: 519183
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Dear Sir/Madam,

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In reference to our intimation dated 29th February, 2024 and pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the copy of the Order received from the Registrar of Companies (ROC) - Gujarat and Adjudicating Officer, under Section 454(3) of the Companies Act, 2013 read with Rule 3 of the Companies (Adjudication of Penalties) Rules, 2014 for violation of provisions of Section 196 read with clause (e) of Part I of Schedule V of the Companies Act, 2013.

Please take the same on your records.

Thanking you.

Yours faithfully,
For **ADF Foods Limited**

Shalaka Ovalekar
Company Secretary

Encl: As Above





भारत सरकार

कार्पोरेट कार्य मंत्रालय

कार्पोरेट कार्य मंत्रालय, गुजरात, दादरा एवं नगर हवेली
आर.ओ.सी. भवन, रुपल पार्क के सामने,
अंकुर बस स्टैंड के पास, नारणपुरा, अहमदाबाद (गुजरात) - 380013.
दूरभाष संख्या : 079 27438531, फैक्स नं. : 079-27438371
वेबसाइट : www.mca.gov.in, ईमेल : roc.ahmedabad@mca.gov.in



सत्यमेव जयते

GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
OFFICE OF THE REGISTRAR OF COMPANIES,
GUJARAT, DADRA & NAGAR HAVELI
ROC Bhavan, Opp. Rupal Park,
Nr. Ankur Bus Stand, Naranpura, Ahmedabad (Gujarat) - 380013.
Tel. No.: 079-27438531. Fax : 079-27438371
Website : www.mca.gov.in E-mail : roc.ahmedabad@mca.gov.in

SPEED-POST

DATED:

20 FEB 2024

No. ROC-GJ/190/ORDER U/S-454/ ADF FOODS/2023-24/ 5474

BEFORE THE ADJUDICATING OFFICER

REGISTRAR OF COMPANIES, GUJARAT, DADRA & NAGAR HAVELI

IN THE MATTER OF ADJUDICATION OF PENALTY UNDER SECTION 454 (3) OF THE COMPANIES ACT 2013 READ WITH RULE 3 OF THE COMPANIES (ADJUDICATION OF PENALTIES) RULES, 2014 FOR VIOLATION OF SECTION 196 READ WITH CLAUSE (e) OF PART-I OF THE SCHEDULE V OF THE COMPANIES ACT, 2013

IN THE MATTER OF

ADF FOODS LIMITED

Date of hearing - 17/01/2024

PRESENT :

1. Shri Keerthi Thej N. (ROC), Adjudicating Officer
2. Ms. Rupa Sutar (DROC), Presenting Officer

Company/ Officers/Directors/KMP/Authorized Representative : Mrs. Shalaka Ovalekar, Company Secretary and Mr. Sohan Kinkhabwala, Advocate

Appointment of Adjudication Authority:-

1. The Ministry of Corporate Affairs vide its Gazette Notification No. A-42011/112/2014-Ad.II dated 24.03.2015 has appointed the undersigned as Adjudicating Officer in exercise of the powers conferred under section 454 of the Companies Act, 2013 (hereinafter known as Act) read with Companies (Adjudication of Penalties) Rules, 2014 (Notification No. GSR 254(E) dated 31.03.2014) for adjudging penalties under the provisions of Act.
2. ADF FOODS LIMITED (herein after referred to as "company") is a company having its registered office at ""83/86 G I D C INDUSTRIAL AREA NA, NADIAD, GUJARAT-387001, INDIA " registered under the provisions of the Companies

IN THE MATTER OF ADF FOODS LIMITED

Dry Fruits Private Limited in the State of Gujarat. The CIN of the Company is L15400GJ1990PLC014265 as per the record maintained on the MCA's Website.

Fact of the case

3. During examination the application and reply filed before the Ministry regarding re-appointment of Mr. Bimal Ramesh Thakkar (DIN 00087404) as Managing Director in the company for a period of 05 years from 01.10.2023 to 30.09.2023 under Section 196 read with clause (e) of Part I of Schedule V of the Companies Act, 2013. It has been observed by the Ministry that the permission of Central Government was not sought for previous appointment of Mr. Bimal Ramesh Thakkar (DIN 00087404) as Managing Director from 01.10.2018 to 30.09.2023 in terms of proviso to Section 196 r/w clause (e) of Part-I of the Companies Act, 2013 in spite of the appointee being out of India for 109 days.

Show Cause Notice, reply and personal Hearing:-

4. Pursuant to the directions of the Ministry received in this office on 31.10.2023, this office had issued a common Adjudication Notices bearing No. **ROC-GJ/ADF-Section 454/ADF FOODS/ 2023-24/4644 to 48 dated 27.12.2023** were issued to the company and its officers in default under Section 454 of the Companies Act, 2013 read with Rules made thereunder for violation of Section 196 READ WITH CLAUSE (e) OF PART-I OF THE SCHEDULE V OF THE COMPANIES ACT, 2013 and fixed the date of hearing on 10.01.2024. Mrs. Shalaka Ovalekar, Company Secretary (Noticee No. 5) vide e-mail dated 03.01.2024 on behalf of all the Noticees requested to the Adjudicating Officer to reschedule the date of hearing in the matter of Adjudication. Thereupon this office has sent intimation of hearing to the Company and officers vide e-mail dated 05.01.2024 and fixed the date of hearing on 17.01.2024 at 3:30P.M.
5. On the scheduled date of hearing i.e. 17.01.2024, Mrs. Shalaka Ovalekar Company Secretary and Mr. Sohan Kinkhabwala Advocate Authorised representative of the company appeared before the Adjudicating Authority Mr. Keerthi Thej N., ROC, Presenting Officer Ms. Rupa Sutar, DROC and Mr. V.S. Tiwari, STA and submitted that "Show Cause Notice has been issued pursuant to an incorrect interpretation of the provisions of Section 196 r.w. Clause (e) of

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Managing Director and Chief Executive Officer of the Company vide Board Resolution dated 25.07.2018 for the period of 5 years commencing 01.10.2018 to 30.09.2023. Subsequently the re-appointment of Mr. Bimal Ramesh Thakkar as the Chairman, Managing Director and Chief Executive Officer of the Company was approved by the Shareholders of the Company at the General Meeting of the Company held on 15.09.2018. At the time of re-appointment of Mr. Bimal Ramesh Thakkar, as the Chairman Managing Director and Chief Executive Office of the Company, for the period of 5 years commencing 01.10.2018 up to 30.09.2023, Mr. Bimal Ramesh Thakkar was a resident of India as required under Part I of Schedule V of the Act more than 182 days in the year 2017-18 and 2018-19. Mr. Bimal Ramesh Thakkar was a "person resident in India" as defined under the provisions of Section 6 of the Income Tax 1961 and such his income Tax Returns for the Financial Years 2017-18 to 2018-19 were also filed in his capacity as a person resident in India. The said Income Tax Returns have been duly accepted by the Income Tax Department.

6. Mrs. Shalaka submitted the travel details of Mr. Bimal Thakkar from 01.10.2017 to 30.09.2018 as under:

Name of Country/IES	Period from	Period to	Total Nos Days
UK Germany Sweden	07.10.2017	16.10.2017	9
USA	11.11.2017	17.11.2017	6
LEBANON	15.12.2017	19.12.2017	4
UK USA	19.01.2018	28.01.2018	9
UAE	17.02.2028	21.02.2018	4
EUROPE & USA	01.03.2018	19.03.2018	18
UK	05.04.2018	13.04.2018	8
UAE, KUWAIT	20.04.2018	25.04.2018	5
CANADA USA	26.04.2018	03.05.2018	7
UAE	05.06.2018	07.06.2018	3
UK, FRANCE (NICE)	11.06.2018	23.06.2018	13
USA, UK, CANADA	26.07.2018	08.08.2018	14
AUSTRALIA	26.08.2018	01.09.2018	7
UAE	18.09.2018	20.09.2018	2
Total			109

7. Ld. Advocate Mr. Kinkhabwala relied upon the reference drawn to the case of Ibrahim Bachu Bafan vs State of Gujarat reported in 1985(2) SCC 24, wherein the Supreme Court of India held " 8. The rule relating to interpretation of statutes is too well settled to be disputed that unless a contrary intention is expressly or by necessary implication available, words used in a statute should be

I of the Schedule V of the Act, Mr. Bimal Ramesh Thakkar fulfilled the criteria of being a "resident of India" as stipulated under Part I of Schedule V of the Act.

8. Ld. Advocate Mr. Kinkhabwala further submitted that Section 2(95) of the Act provides that the words used but not defined under the Act and but defined under the Securities and Exchange Board of India Act, 1992 (SEBI Act) shall have the same meaning as ascribed to them under the SEBI Act. It is submitted that for the purpose of SEBI Act and rules/regulations made thereunder, definition of a person resident in India is adopted from the provisions of the Foreign Exchange Management Act, 1999, as is evident from a bare reading of the provisions of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, and therefore no approval from the Central Government was required in terms of the provisions of Section 196 of the Act, read with Schedule V of the Act. As per Circular No. 3 of 1989, dated 13th April, 1989 issued by the Ministry of Industry (Department of Company Affairs), the Ministry has clarified that the requirement of Schedule V of the Act are required to be satisfied only at the time of appointment as the Chairman, Managing Director and Chief Executive Officer of the Company.

Submission of the Presenting Officer

9. The Presenting Officer submitted that Section 196(4) of the Companies Act, 2013 provides that *Subject to the provisions of section 197 and Schedule V, a managing director, whole-time director or manager shall be appointed and the terms and conditions of such appointment and remuneration payable be approved by the Board of Directors at a meeting which shall be subject to approval by a resolution at the next general meeting of the company and by the Central Government in case such appointment is at variance to the conditions specified in Part I of that Schedule.* Further Clause (e) of Part I of Schedule V of the Act provides that *No person shall be eligible for appointment as a managing or whole-time director or a manager (hereinafter referred to as managerial person) of a company unless he satisfies the following conditions, namely:— he is resident of India.*

Explanation I.—For the purpose of this Schedule, resident in India includes a person who has been staying in India for a continuous period of not less than twelve months immediately preceding the date of his appointment as a managerial person and who has come to stay in India,—(i) for taking up employment in India; or (ii) for carrying on a business or vacation in India.

IN THE MATTER OF ADF FOODS LIMITED

Office of the ROC, Ahmedabad that the as explained in the relevant Schedule of the Act, there is requirement for a person who has been staying in India for a continuation period of not less than twelve months immediately preceding the date of his appointment as a managerial personal. However, Mr. Bimal Ramesh Thakkar has failed to comply with the condition specified under Explanation 1. Thus, there was requirement to sought necessary approval from the Ministry, however, company has failed to obtain such approval from the Ministry and provisions of Section 196 r.w. Schedule 5 part I of the Company Act 2013 has contravened. Therefore, the company and Officers in default are liable to penalize under Section 450 of the Act for the default of provisions of Section 196 read with Part I of Schedule V of the Companies Act, 2013. The Registrar of Companies vide the Companies (Amendment) Act, 2020 is entrusted with power to adjudicate penalty as provided under Section 450 of the Act with effect 21.12.2020.

10. The Presenting Officer further submitted Mr. Bimal Ramesh Thakkar, appointed as the Chairman Managing Director and Chief Executive Office of the Company w.e.f. 01.10.2018 without obtaining necessary approval of the Central Government. So since, than, default continuing in nature from the period 01.10.2018 to 30.09.2023 and the as per the MCA21 record, pursuant to Ministry's General Circular No. 1/2020 dated 02.03.2020, the following of the Officers for the relevant period of default on concurrence with the representative of the Company:

S. No	DIN/PAN	Name	Current Designation	Date of Appointment	Date of Cessation
1	00087404	BIMAL RAMESH THAKKAR	Managing Director	01.10.2008	--
2	AABPD1187C	SHARDUL ARVIND DOSHI	CFO(KMP)	14.08.2020	--
3.	AACPJ5671N	ANISH SUSHIL JHAVERI	CFO(KMP)	02.11.2018	15.07.2020
4.	AAGPO7625K	SHALAKA SWAPNIL OVALEKAR	Company Secretary	27.10.2010	--

ORDER

1. While adjudging quantum of penalty under section 450 of the Act, the Adjudicating Officer shall have due regard to the following factors, namely;
 - a. The amount of disproportionate gain or unfair advantage, whenever quantifiable, made as a result of default.
 - b. The amount of loss caused to an investor or group of investors as a result of the default.
 - c. The repetitive nature of default.

2. With regard to the above factors that are to be considered while determining the quantum of penalty, it is noted that the disproportionate gain or unfair advantage made by the noticee or loss caused to the investor as a result of the delay on the part of the noticee to redress the investor grievance are not available on the record. Further, it may also be added that it is difficult to quantify the unfair advantage made by the noticee or the loss caused to the investors in a default of this nature.

3. Having considered the facts and circumstances of the case and after taking into accounts the factors above, the undersigned has reasonable cause to believe that the company and its officers in default have failed to comply with the provisions of Section 196 read with Schedule V of the Companies Act, 2013 in the aforementioned circumstances. It is due and justified to levy a penalty of Rs. 2,00,000/- on company and Rs. 50,000/- each in respect of Directors Mr. Niravkumar Bhupendrakumar Prajapati and Mr. Chintan Sheth in default. I hereby imposed penalty as under:

Nature of default	Penalty imposed on company/Director	No. of days	Penalty calculated Default (Rs.) in pursuant to Section 450 of the Companies Act, 2013	Maximum penalty in pursuant to Section 450 of the Companies Act, 2013	Penalty Imposed (In Rs.)
Violation of Section 196 read with Schedule V of the Companies Act, 2013	ADF FOODS LIMITED	1826	$10000+1826*1000=18,27,000$	2,00,000	2,00,000
	BIMAL RAMESH THAKKAR	1826	$10000+1826*1000=18,27,000$	50,000	50,000
	SHARDUL ARVIND DOSHI	1826	$10000+1826*1000=18,27,000$	50,000	50,000
	ANISH SUSHIL JHAVERI	621	$10000+621*1000=6,31,000$	50,000	50,000
	SHALAKA SWAPNIL OVALEKAR	1826	$10000+1826*1000=18,27,000$	50,000	50,000


[No. of days calculated from 01.10.2018 to 30.09.2023 regarding appointment

IN THE MATTER OF ADF FOODS LIMITED

AO is of the opinion that penalty is commensurate with the aforesaid default committed by the Noticees:

4. The noticee shall pay the amount of penalty by way of e-payment available on Ministry website www.mca.gov.in under "Pay miscellaneous fees" category in MCA fee and payment Services under Rule 3(14) of Company (Adjudication of Penalties) (Amendment) Rules, 2019 within 90 days from the date of receipt of this order and copy of this adjudication order and Challan/SRN generated after payment of penalty through online mode shall be filed in INC-28 under the MCA portal without further reference and intimation should be submitted to this office.
5. Appeal against this order may be filed in writing with the Regional Director, North Western Region, Ministry of Corporate Affairs, Roc Bhavan, opp. Rupal park, Nr. ANKUR BUS STAND, NARANAPURA, AHMEDABAD (GUJARAT)-380013 within a period of sixty days from the date of receipt of this order, in Form ADJ setting forth the grounds of appeal and shall be accompanied by the certified copy of this order. [Section 454(5) & 454(6) of the Companies Act, 2013 read with the Companies (Adjudicating of Penalties) Rules, 2014 as amended by Companies (Adjudication of Penalties) Amendment Rules, 2019]
6. Your attention is also invited to **Section 454(8)(i) and 454(8) (ii) of the Companies Act, 2013**, which state that in case of non-payment of penalty amount, the company shall be punishable with fine which shall not less than Twenty Five Thousand Rupees but which may extend to Five Lakhs Rupees and officer in default shall be punishable with Imprisonment which may extend to Six months or with fine which shall not be less than Twenty Five Thousand Rupees by which may extend to one Lakhs Rupees or with both.

The adjudication notice stands disposed of with this order..


Registrar of Companies & Adjudicating Officer
Ministry of Corporate Affairs
Gujarat, Dadra & Nagar Haveli


To

1. ✓ ADF FOODS LIMITED
83/86 G I D C INDUSTRIAL AREA NA,
NADIAD, GUJARAT-387001, INDIA

2. MR. BIMAL RAMESH THAKKAR

IN THE MATTER OF ADF FOODS LIMITED

3. MR. SHARDUL ARVIND DOSHI
S/O SHRI ARVIND MOTICHAND DOSHI
A-1002, NAV PARAMANU CHS,
KELKARWADI ROAD, PLOT 2
BEHIND AMAR THEATRE, CHEMBUR,
MUMBAI,400071,MAHARASHTRA,INDIA
4. MR. ANISH SUSHIL JHAVERI
S/O SHRI SUSHIL MANEKLAL JHAVERI
96, SION RD, A/1, MOTIBAUGNR. GANDHI
MKT,MUMBAI,400022,MAHARASHTRA,INDIA
5. MS. SHALAKA SWAPNIL OVALEKAR
D/O SHRI SUDHAKAR NARAYAN GHARAT
C/404, SATELLITE PARKCAVES ROAD,
NEAR JOGESHWARI FATAK, JOGESHWARI
EAST MUMBAI-400060, MAHARASHTRA, INDIA


Registrar of Companies & Adjudicating Officer
Ministry of Corporate Affairs
Gujarat, Dadra & Nagar Haveli

Copy to:

Ministry of Corporate Affairs, (Through Proper Channel)
The Regional Director, (NWR), Ministry of Corporate Affairs, Ahmedabad-
380013 (for information please)