



HINDUSTAN FOODS LIMITED

A Vanity Case Group Company

A Government Recognised Star Export House

Registered Office: Office No. 3, Level 2, Centrium, Phoenix Market City,
15, Lal Bahadur Shastri Road, Kurla (West), Mumbai, Maharashtra, India, 400 070.

Email: business@thevanitycase.com, **Website:** www.hindustanfoodslimited.com

Tel. No.: +91 22 6980 1700/01, **CIN:** L15139MH1984PLC316003

Date: October 18, 2023

To, The General Manager Department of Corporate Services BSE Limited Floor 25, P. J. Towers, Dalal Street, Mumbai- 400 001 Tel: (022) 2272 1233 / 34 Company Scrip Code: 519126	To, The Manager, National Stock Exchange of India Limited, Listing Department, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 070 Company Symbol: HNDFDS
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Sub: Disclosure under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015

Dear Sir/Madam,

This is to inform you that the Hindustan Foods Limited ("HFL" or "the Company") has received on October 17, 2023 a Settlement order no. SO/AN/EFD2/2023-24/7142 dated October 10, 2023 from Securities and Exchange Board of India ("SEBI") in the matter of Suo-moto Settlement Application filed by the Company.

The details as required under Regulation 30 of SEBI (Listing obligations and Disclosure requirements) Regulations, 2015 ("LODR Regulations") (as amended) are as below;

Sr. No.	Particulars	Details
i.	name of the authority;	Securities and Exchange Board of India
ii.	nature and details of the action(s) taken, initiated or order(s) passed;	Settlement Order dated October 10, 2023 in respect of the Suo Moto Settlement Application regarding the composition of the Board of Directors.
iii.	date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;	Settlement Order dated October 10, 2023 communicated to the Company by SEBI on October 17, 2023.





iv.	details of the violation(s)/contravention(s) committed or alleged to be committed	<p>Settlement Order dated October 10, 2023 in respect of the Suo Moto Settlement Application filed by the Company proposing to settle by neither admitting nor denying any conclusion of law, the enforcement proceedings that may be initiated against the Company, for the violation of the following provisions of SEBI LODR Regulations:</p> <p>Proviso to Regulation 17 (1)(b) of SEBI LODR Regulations on the requirement of the composition of the Board while having a regular non-executive chairperson as also the promoter and filing the details of the Composition of the board of directors in the quarterly Corporate Governance Report under Regulation 27 (2) read with Regulation 4 (1)(e) of SEBI LODR Regulations.</p>
v.	impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible	<p>There is no material impact of such settlement, pursuant to this Settlement Order, on the financial, operation or other activities of the Company.</p>

The Settlement Order is enclosed herewith for reference and will also be made available on the website of the Company i.e. www.hindustanfoodslimited.com.

You are requested to kindly take the above information on record.

Thanking you.

For **HINDUSTAN FOODS LIMITED**

Bankim Purohit
Company Secretary
ACS 21865

Encl: as above



SECURITIES AND EXCHANGE BOARD OF INDIA
SETTLEMENT ORDER
IN RESPECT OF
SETTLEMENT APPLICATION NO. 7142/2023 [PAN: AAACH4581J]
FILED BY HINDUSTAN FOODS LIMITED

1. Hindustan Foods Limited (hereinafter referred to as the “**Applicant**”) filed a *suo motu* settlement application (hereinafter referred to as “**Application**”) in terms of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as “**Settlement Regulations**”) proposing to settle by neither admitting nor denying any conclusions of law, the enforcement proceedings that may be initiated against it, for the violation of the following provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “**SEBI LODR Regulations**”):
 - (a) Proviso to Regulation 17(1)(b) of SEBI LODR Regulations; and
 - (b) Regulation 27(2) read with Regulation 4(1)(e) of SEBI LODR Regulations.

2. Brief facts of the case are as follows:

2.1 On July 27, 2018, the Applicant had issued 4,00,000 equity shares, on preferential allotment basis, wherein Mr. Shrinivas V Dempo, the then Chairperson and the non-executive non-independent director of the Applicant, was identified as one of the allottees. Resultantly, Mr. Shrinivas V Dempo became the promoter Chairperson of the Applicant. In terms of Regulation 17(1)(b) of the SEBI LODR Regulations, at least half of the Board of the Applicant was required to consist of independent directors from July 27, 2018. However, the Applicant was non-compliant with the said requirement till November 8, 2022. It was only after Mr. Shrinivas V Dempo stepped down as the Chairperson of the Applicant on November 8, 2022 and Mr. Shashi Kalathil, independent director was elected as the Chairperson, the composition of the Board was reorganized w.e.f November 9, 2022, so as to satisfy the requirements of the SEBI LODR Regulations.



Amarjit Singh

[Signature]

2.2 Further, beginning from the second quarter of financial year 2018-19 to the second quarter of the financial year 2022-23, while filing details of the composition of the board of directors in the quarterly corporate governance report of the Applicant, the name of Mr. Shrinivas V Dempo was selected as only "Chairperson" instead of "related to Promoter". Consequently, the Board incorrectly appeared to comprise 1/3rd of independent directors. Further, in the table of affirmations for the period mentioned above regarding the composition of the Board, "Yes" option was selected instead of the "No" option, thus, incorrectly reflecting that the composition of the board of directors was in order. The same incorrect corporate governance reports for the relevant quarters were subsequently revised by the Applicant and the same has been confirmed by the BSE Limited.

3. In view of the aforesaid facts, the Applicant filed the present application for the purpose of settling the proceedings that may be initiated against it for the said non-compliances.
4. Pursuant to the receipt of the application, the authorized representatives of the Applicant had a meeting with the Internal Committee of SEBI on June 16, 2023, wherein, the issues detailed above were deliberated along with the terms of the settlement. Thereafter, vide email dated June 28, 2023, the Applicant proposed revised settlement terms to settle any enforcement proceedings that may be initiated against it for the violations as stated above at paragraph 1.
5. The High Powered Advisory Committee (hereinafter referred to as "HPAC") in its meeting held on July 14, 2023, considered the revised settlement terms proposed by the Applicant and recommended the case for settlement upon payment of ₹24,32,000 (Rupees Twenty Four Lakh Thirty Two Thousand only). The recommendation of the HPAC was accepted by the Panel of Whole Time Members on August 03, 2023. Subsequently, notice of demand was issued to the Applicant on August 10, 2023 who informed about the remittance of the aforesaid settlement amount on August 25, 2023 and SEBI has confirmed credit of the same.



Amrinder Singh

6. On the basis of the facts stated above, in exercise of the powers conferred under Section 15JB read with Section 19 of the Securities and Exchange Board of India Act, 1992 and in terms of Regulations 23 of the Settlement Regulations, it is hereby ordered that any proceedings that may be initiated for the violations as mentioned in paragraph 1 above are settled in respect of the Applicant on the following terms:
- i. SEBI shall not initiate any enforcement action against the Applicant for the said violations, and
 - ii. passing of this Order is without prejudice to the right of SEBI under Regulation 28 of the Settlement Regulations to initiate appropriate action against the Applicant, if SEBI finds that:
 - (a) any representation made by the Applicant in the present settlement proceedings is subsequently found to be untrue;
 - (b) the Applicant has breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings; and
 - (c) there was a discrepancy while arriving at the settlement terms.
7. This Settlement Order is passed on this 10th day of October, 2023 and shall come into force with immediate effect.
8. This Settlement Order is without prejudice to action, if any, that may be initiated by the recognized stock exchanges in terms of SEBI Circular SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020.
9. In terms of Regulation 25 of the Settlement Regulations, a copy of this Order shall be sent to the Applicant and shall also be published on the website of SEBI.



ANANTH NARAYAN G.
WHOLE TIME MEMBER



AMARJEET SINGH
WHOLE TIME MEMBER