

22<sup>nd</sup> August, 2024

BSE Limited  
Floor 25, P.J. Towers,  
Dalal Street,  
Mumbai - 400 001  
**BSE scrip Code: 534742**

National Stock Exchange of India Ltd,  
Exchange Plaza, 5th floor,  
Bandra-Kurla Complex,  
Bandra (E).  
Mumbai - 400 051  
**NSE Symbol: ZUARI**

Dear Sir / Madam,

**Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Order of Adjudication of Penalty for violation of section 197 of the Companies Act, 2013**

This is to inform you that pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the disclosure w.r.t the Order of Adjudication of Penalty for violation of section 197 of the Companies Act, 2013 received by the Company from the Registrar of Companies Goa, Daman & Diu.

The details of the above order as required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are given below.

<b>Name of the authority</b>	Registrar of Companies Goa, Daman & Diu
<b>Nature and details of the action(s) taken, initiated or order(s) passed</b>	Order of Adjudication of Penalty dated 16 <sup>th</sup> August, 2024 for violation of Section 197 of the Companies Act, 2013.
<b>Date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority</b>	21 <sup>st</sup> August, 2024 at 11.A.M.
<b>Details of the violation(s)/contravention(s) committed or alleged to be committed</b>	Violation of Section 197 of the Companies Act, 2013 as per the adjudication order attached.
<b>Impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible</b>	A penalty of Rs. 5 Lakh has been imposed on the Company and Rs. 1 Lakh on the Ex-Managing Director of the Company, Mr. Sunil Sethy. There is no material impact on financials, operations or other activities of the Company due to the Order.

Thanking you,

Yours Faithfully,  
**For Zuari Agro Chemicals Limited**

**Manoj Dere**  
**Company Secretary & Compliance Officer**

Encls: As above



भारत सरकार / Government of India  
 वॉरपोरेट कार्य मंत्रालय / Ministry of Corporate Affairs  
 कार्पोरेट कंपनी रजिस्ट्रार / Office of the Registrar of Companies  
 गोवा, दमन एवं दीव एवं शासकीय समापक / Goa, Daman and Diu cum Official Liquidator  
 बंबई उच्च न्यायालय, गोवा / High Court of Bombay at Goa  
 कॉरपोरेट भवन, ई डी सी कॉम्प्लेक्स / Corporate Bhawan, EDC Complex

Email: [roc.goa@roc.gov.in](mailto:roc.goa@roc.gov.in)

Phone: 0832-2438618

No. ROCGDD/Penalty Order/ZACL/2024/361

Dated: 16 AUG 2024

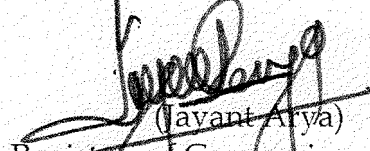
To,

1. Zuari Agro Chemicals Limited CIN: L65910GA2009PLC006177 Jai Kisaan Bhawan, Zuari Nagar, South Goa, India, 403726.	2. Shri Sunil Sethy 154/151 Tower A, 5 <sup>th</sup> Floor, Zuari Rain Forest, Jaikisan Road, Mormugao, 403726, Goa, India
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**Sub: - Forwarding Order of Adjudication of Penalty for violation of section 197 of the Companies Act, 2013 read with Companies (Adjudication of Penalties) Rules, 2014 in the matter of Zuari Agro Chemicals Limited - L65910GA2009PLC006177 reg.,**

Sir,

With reference to the above subject, kindly find enclosed herewith the copy of the Order vide no ROCGDD/AO/SEC-197/2024/05 dated 16.08.2024 passed by this office for compliance.

  
 (Javant Arya)  
 Registrar of Companies  
 Goa, Daman & Diu

Encl.: As above.

Copy to:-

Regional Director (WR),  
 Ministry of Corporate Affairs,  
 100, Marine Drive, Everest Building,  
 Mumbai-400002-(For Information).

BEFORE THE ADJUDICATING OFFICER  
REGISTRAR OF COMPANIES, GOA, DAMAN & DIU  
(ADJUDICATION ORDER NO: ROCGDD/AO/SEC-197/2024/05)

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UNDER SECTION 454 OF THE COMPANIES ACT, 2013 READ WITH THE  
COMPANIES (ADJUDICATION OF PENALTIES) RULES, 2014.

In respect of:

ZUARI AGRO CHEMICALS LIMITED

CIN: L65910GA2009PLC006177

**Appointment of Adjudicating Officer:-**

1. The Ministry of Corporate Affairs vide its gazette notification no. SO 831(E) dated 24.03.2015 appointed undersigned as Adjudicating Officer [hereinafter referred to as 'the A.O.'] in exercise of the powers conferred by Section 454 of the Companies Act, 2013 [herein after known as the Act] read with the Companies (Adjudication of Penalties) Rules, 2014 for adjudging penalties under the provisions of this Act.

**Company:-**

2. ZUARI AGRO CHEMICALS LIMITED [herein after known as the Company] CIN: L65910GA2009PLC006177 is a registered company with the office of the Registrar of Companies, Goa, Daman and Diu and having its registered address as Jai Kisaan Bhawan, Zuari Nagar, South Goa, India, 403726 as per records maintained by this office in online registry.

**Facts of the case:-**

3. The company has filed Suo moto application under section 454 of the Companies Act, 2013 through e-form GNL-1 vide SRN F91410050 for adjudication of penalties for violation of section 197 of the Companies Act, 2013 for FY 2019-20. As per the said application, it is found that Mr.Sunil Sethy was re-appointed as the Managing Director of the company for a period of one year w.e.f. 01.08.2019 and the Members of the company at the 10<sup>th</sup> AGM held on 06.09.2019 had approved re-appointment and payment of remuneration to the said Managing Director.

As the company had defaulted in repayment of term loan during FY 2019-20, it was necessary for the company to obtain prior approval of banks/financial institutions for payment of remuneration to the Managing Director for FY 2019-20 in compliance with requirements under sub-rule (ii) of Part B of Part II of Schedule V of the Companies Act, 2013. Since no such prior approval of banks/financial institutions was obtained by the company, the remuneration amounting to Rs.81.00 Lakhs paid to the Managing Director for the FY 2019-20, was in excess of limit prescribed under the provisions of the companies act, 2013.

The Board of directors at its meeting on 19.06.2020 had approved the waiver of recovery of excess remuneration paid to Mr.Sunil Sethy subject to prior approval of the banks/financial institutions and the approval of shareholders. The company repaid the term loan availed from the banks during FY 2019-20 and accordingly no approval was required for such a waiver of recovery of excess remuneration at the time of passing shareholder's resolution. The company however sought the approval of members for the waiver of excess remuneration paid to the said Managing Director at AGM on 27.09.2023. Hence, the company has defaulted in seeking approval for waiving excess remuneration within 2 years from the date of sum becomes refundable and has failed to comply with the provisions of section 197(9) & (10) of the Companies Act, 2013.

**Provisions of the Companies Act, 2013: -**

4. *Section 197(9) provides that "If any director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limit prescribed by this section or without approval required under section 197, he shall refund such sums to the company, within two years or such lesser period as may be allowed by the company, and until such sum is refunded, hold it in trust for the company".*
5. *Section 197(10) provides that "The company shall not waive the recovery of any sum refundable to it under sub-section(9) unless approved by the company by special resolution within two years from the date of sum becomes refundable".*  
*Provided that where the company has defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor, the prior approval of the bank or public financial institution concerned or the non-convertible debenture holders or other secured creditor, as the case may be, shall be obtained by the company before obtaining approval of such waiver".*

6. Section 197(15) provides that " if any person makes any default in complying with the provisions of section 197, he shall be liable to a penalty of one lakh rupees and where any default has been made by a company, the company shall be liable to a penalty of five lakh rupees".

### ORDER

7. Notice was issued to the company directing to appear for hearing personally or through its authorized representative. Mr. Manoj Dere, Company Secretary appeared for personal hearing on behalf of the company before the A.O. and made his submissions with regard to violations made by the company under section 197 of the Companies Act, 2013.
8. Having considered the facts and circumstances of the case and submissions made by authorized representatives during the personal hearing, I do hereby impose penalty on company and its directors as per table below:

FY	Penalty imposed on Company /Director	Penalty imposed
2019-20	Company	Rs.5,00,000/-
	Sunil Sethy, M.D	Rs.1,00,000/-
	Total	Rs. 6,00,000/-

9. The Penalty imposed hereinabove shall be paid through the Ministry of Corporate Affairs portal only within 90 days of receipt of this order and intimate this office with proof of penalty paid.
10. Appeal if any against this order may be filed in writing with the Regional Director (WR), Ministry of Corporate Affairs, 100, Marine Drive, Everest Building, Mumbai-400002, 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 a certified copy of this order. [Section 454 of the Companies Act, 2013 read with the Companies (Adjudicating of Penalties) Rules, 2014] as amended by Companies (Adjudication of Penalties) amendment Rules, 2019.
11. Your attention is also invited to Section 454(8) of the Act regarding consequences of non-payment of penalty.

12. In terms of the provisions of sub-rule (9) of Rule 3 of the Companies (Adjudication of Penalties) Rules, 2014, as amended by companies (Adjudication of Penalties) Amendment Rules, 2019, copy of this order is being sent to the Zuari Agro Chemicals Limited and Mr. Sunil Sethy and also to Office of Regional Director (WR), Ministry of Corporate Affairs, 100, Marine Drive, Everest Building, Mumbai-400002.

Place:- Panaji, Goa.  
Date:- 16.08.2024

  
Registrar of Companies Goa, Daman & Diu

Adjudicating Officer