

27<sup>th</sup> May, 2019

BSE Limited,  
Floor 25, P.J. Towers,  
Dalal Street,  
**Mumbai-400001**

National Stock Exchange of India Limited,  
Exchange Plaza, Bandra Kurla Complex,  
Bandra East,  
**Mumbai-400051.**

Dear Sirs,

**Sub: Postal Ballot Notice and Form.**

Pursuant to section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company is seeking the approval of the Shareholders by way of Postal Ballot, which includes remote e-voting for the below mentioned business :

- i) Waiver of recovery of excess remuneration paid to Mr. Kapil Mehan, Ex-Managing Director of the Company for the Financial Year 2015-16, in view of the amended provisions of the Companies Act, 2013
- ii) Enhancement in the Limits of Investments/Loans and Guarantees
- iii) Remuneration paid to Mr. Sunil Sethy, Managing Director for Financial Year 2018-19.

The Postal Ballot Notice alongwith Ballot Form, is being sent to the Members whose names appear in the Register of Members/List of Beneficial Owners as on Friday, 17<sup>th</sup> May, 2019. The voting, both through postal ballot and through remote e-voting shall commence at 10.00 A.M. on Tuesday, 28<sup>th</sup> May, 2019 and shall end at 5.00 P.M. on Wednesday, 26<sup>th</sup> June, 2019.

The result of the voting by Postal Ballot will be announced on Thursday, 27<sup>th</sup> June, 2019 at 4.00.P.M. at the Registered Office of the Company and the same shall be displayed on the Notice Board at the Registered Office, Corporate Office and on the website of the Company at [www.zuari.in](http://www.zuari.in). The results shall also be communicated to the Stock Exchanges.

The resolutions, if passed by requisite majority, shall be deemed to have been passed on Wednesday, 26<sup>th</sup> June, 2019 i.e. last day of the voting period.

Pursuant to Regulation 30 of the SEBI(Listing Obligations & Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of Postal Ballot Notice and Postal Ballot Form sent to the Members of the Company.



**ZUARI AGRO CHEMICALS LIMITED**

CIN No.: L65910GA2009PLC006177

Registered Office: Jaikisaan Bhawan, Zuarinagar, Goa - 403726, India

Tel: +0832 259 2180, 259 2181 Fax: +0832 255 5279

[www.zuari.in](http://www.zuari.in)

Kindly take note of the same in your records.

Thanking You,  
Yours Faithfully,

**For Zuari Agro Chemicals Limited**



**R.Y.Patil**  
**Vice President & Company Secretary**

Encl: As above



ZUARI AGRO CHEMICALS LIMITED

CIN: L65910GA2009PLC006177

Registered Office: Jai Kisaan Bhawan, Zuarinagar, Goa 403 726

Tel: 91-0832-2592180, E-mail: shares@adventz.com , Website: www.zuari.in

R.Y PATIL

Vice President &amp; Company Secretary

**POSTAL BALLOT NOTICE**

[Pursuant to Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014]

To  
The Member,

NOTICE is hereby given pursuant to Section 110 and other applicable provisions of the Companies Act, 2013 ("Act") read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any amendment(s), statutory modifications or reenactment thereof for the time being in force), that the resolutions appended below are proposed to be passed by the Members through Postal ballot / electronic voting (remote e-voting).

**Special Business:**

- Waiver of recovery of excess remuneration paid to Mr. Kapil Mehan, Ex-Managing Director of the Company for the Financial Year 2015-16, in view of the amended provisions of the Companies Act, 2013**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Section 197, read with Schedule V and other applicable provisions of the Companies Act, 2013 (the "Act") and the rules made thereunder (including any amendment(s), modification(s) or re-enactment(s) thereof for the time being in force) and subject to receipt of necessary consents and approvals, if any, the recovery of excess remuneration paid to Mr. Kapil Mehan (DIN: 01215092), ex-Managing Director of the Company [who resigned with effect from June 3, 2017], amounting to Rs. 1,49,82,000/- (Rupees One crore forty nine lakh eighty two thousand only) for the financial year 2015 - 2016 and as already waived by the Members by way of a special resolution at the Annual General Meeting of the Company held on 22<sup>nd</sup> September, 2017 be and is hereby waived in view of the abatement of the application of the Company filed with the Central Government under Section 197 of the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company ("Board") and/or the Nomination and Remuneration Committee of the Directors of the Company ("NRC") and/or any other person authorized by the Board or the NRC, be and is hereby authorized to take necessary actions and steps required to give effect to the aforesaid resolution and settle any question or difficulty arising in connection therewith or incidental thereto.

- Enhancement in the Limits of investments/Loans and Guarantees.**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors in terms of the provisions of Section 186 of the Companies Act, 2013, and the Board including any Committee of Directors be and is hereby authorised subject to such other approvals, consent, sanctions as may be necessary including from banks and financial institutions, if any, any such other statutory approvals, if any, and other applicable Rules, Regulations, Guidelines (including any statutory modifications or re-enactment thereof for the time being in force) and such conditions as may be prescribed by any of the concerned authorities for:

- giving any loan to any person or other body corporate
- giving any guarantee or providing security in connection with a loan to any other body corporate or person and /or
- acquiring whether by way of subscription, purchase or otherwise, the securities of any other body corporate

upto an amount, the aggregate outstanding of which should not exceed at any given time Rs. 1000 crores which shall be over and above the limits as specified in section 186(2) of the Companies Act, 2013 and the aggregate outstanding amount of loans/guarantees/securities given/provided to wholly owned subsidiary companies and /or joint venture companies and investments made in wholly owned subsidiary companies from time to time.

RESOLVED FURTHER THAT the consent of the Company, be and is hereby accorded to the Board including any Committee of Directors, pursuant to Rule 11 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Section 186 and other applicable provisions of the Companies Act, 2013, to give any loan to or guarantee or provide any security on behalf of, or acquire securities of, the Wholly Owned Subsidiaries of the Company, for such sums as may be decided by Board/Committee of Directors as permitted or subject to the provisions specified therein.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board/Committee be and is hereby authorized to agree, make, accept and finalize all such terms, condition(s), modification(s) and alteration(s) as it may deem fit including the terms and conditions within the above limits upto which such investments in securities/loans/guarantees, that may be given or made, as may be determined by the Board or the Committee thereof, including with the power to transfer/dispose of the investments so made, from time to time, and the Board/Committee is also hereby authorized to resolve and settle all questions, difficulties or doubts that may arise in regard to such investments, loans, guarantees and security and to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental as the Board/Committee in its absolute discretion may deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have been given approval thereto expressly by the authority of this resolution.

### **3. Remuneration paid to Mr. Sunil Sethy, Managing Director for Financial Year 2018-19**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**

RESOLVED THAT pursuant to the provisions of Sections 2(54), 2(78), 196, 197, 198, 199, 200, 203 and all other applicable provisions of the Companies Act, 2013 ("the Act") (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Articles of Association of the Company and subject to such approvals, permissions and sanctions as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities, approval of the shareholders be and is hereby accorded for the remuneration of Rs. 89.99 lakhs paid to Mr. Sunil Sethy, Managing Director (DIN: 00244104) for the Financial Year 2018-19 in absence of profits for Financial Year 2018-19 pursuant to Section II of Part II of Schedule V of the said Act.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.

**By Order of the Board of Directors**

**R Y Patil**  
**Vice President & Company Secretary**  
**F.C.S. No. 2845**

Date : 15<sup>th</sup> May, 2019  
Registered Office : Jai Kisaan Bhawan,  
Zuarinagar, Goa – 403 726

#### **NOTES:**

1. The related Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts in respect of the business specified above is annexed hereto.
2. The Postal Ballot Notice is being sent to the Members whose names appear on the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on the closure of business hours on **Friday, 17<sup>th</sup> May, 2019**.
3. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Members as on cut - off date i.e. **Friday, 17<sup>th</sup> May, 2019**. The person who is not a member as on cut-off date should treat this notice for information purpose only.
4. The resolution, if passed by requisite majority, shall be deemed to have been passed on **Wednesday, 26<sup>th</sup> June, 2019**, i.e. last day of the voting period.
5. In accordance with the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, the Postal Ballot notice is being sent to all the members by electronic mode, whose email IDs are registered with the Company/Depository Participant(s) for communication purpose, unless any member has requested for a physical copy of the same. For members who have not registered their email IDs, physical copy of the Postal Ballot Notice is being sent in the permitted mode, along with a postage-prepaid self-addressed Business Reply Envelope, to their registered addresses.
6. The Members can opt for only one mode of voting, i.e., either by physical Ballot Form or by remote e-voting. In case Members cast their votes through both the modes, voting done by remote e-voting shall prevail and votes cast through physical Ballot Forms will be treated as invalid.



7. In case a Member is desirous of obtaining a physical copy of the Postal Ballot Notice and /or Ballot Form, he or she may send an e-mail to shares@adventz.com . The Registrar and Transfer Agent / Company shall forward the same along with postage-prepaid self addressed Business Reply Envelope to the Member at his/her registered address.
8. A Member cannot exercise his/her vote by proxy on Postal Ballot.
9. Mr. Shivaram Bhat, Practicing Company Secretary (Membership No. 10454) has been appointed by the Board of Directors of the Company as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.
10. The Scrutinizer shall submit a consolidated report after the completion of scrutiny of the votes received through physical Ballot Forms and remote e-voting to the Chairman of the Company, or any other Director or Vice President & Company Secretary of the Company, authorized by the Chairman. The result of the voting by Postal Ballot will be announced on Thursday, 27<sup>th</sup> June, 2019 at 4.00 P.M.at the Registered Office of the Company and the same shall be displayed on the Notice Board at the Registered Office, Corporate Office and on the website of the Company at www.zuari.in. The same shall also be communicated to the Stock Exchanges.
11. All the material documents referred to in the Postal Ballot Notice and Explanatory Statement and other statutory registers will be available for inspection by the Members at the Registered office of the Company during normal business hours on all working days, (i.e. Monday to Friday) upto 26<sup>th</sup> June, 2019.

**Instructions for Voting by Physical Ballot Form:**

Members desirous of exercising their vote by physical Ballot are requested to carefully read the instructions printed on the Postal Ballot Form and return the Form duly filled and signed, in the enclosed self-addressed Business Reply Envelope to the Scrutinizer, so that it reaches the Scrutinizer not later than 5.00 P.M. on Wednesday, 26<sup>th</sup> June, 2019 . However, envelopes containing Postal Ballots, if sent by courier or registered / speed post at the expense of the Members will also be accepted. If any Postal Ballot is received after 5.00 P.M. on Wednesday, 26<sup>th</sup> June, 2019, it will be considered as if reply from the Member has not been received. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self addressed postage pre-paid envelope.

**Voting through electronic means:**

In accordance with the requirements of Regulation 44 of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and Section 108 and other applicable provisions of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 including the amendments thereto, the Company is pleased to provide remote e-voting facility to its members, for the resolution proposed to be passed through this Postal Ballot. The Board of Directors has appointed Link Intime India Private Limited (LIPL) to provide remote e-voting facility to its members.

**The e-voting period commences on Tuesday, 28<sup>th</sup> May, 2019 at 10. 00 A.M. and ends on Wednesday, 26<sup>th</sup> June 2019 at 5.00 P.M. During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e. Friday, 17<sup>th</sup> May, 2019 may cast their votes electronically. The e-voting module shall be disabled for voting thereafter. Once the vote on the resolution is cast by a Member, he or she will not be allowed to change it subsequently.**

**Instructions for shareholders to vote electronically:**

v **Log-in to e-Voting website of Link Intime India Private Limited (LIPL)**

1. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
4. Your User ID details are given below:
  - a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
  - b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
  - c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No + Folio Number registered with the Company

5. Your Password details are given below:  
If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section, register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

<b>For Shareholders holding shares in Demat Form or Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> <li>Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form indicated in the PAN Field.</li> </ul>
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio number. <ul style="list-style-type: none"> <li>Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (iv).</li> </ul>

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

**If Shareholders holding shares in Demat Form or Physical Form have forgotten password:**

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

**NOTE:** The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

❖ **Cast your vote electronically**

- After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote. EVSN is 190058.
- On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.  
Cast your vote by selecting appropriate option i.e. Favour/Against as desired.  
  
Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.
- If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
- After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.

10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
11. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

❖ **General Guidelines for shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please click here or you may refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [insta\\_vote@linkintime.co.in](mailto:insta_vote@linkintime.co.in) or Call us :- Tel : 022 - 49186000

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013**

**Item No. 1**

The members at the 8th Annual General Meeting held on 22nd September, 2017 by way of special resolution approved the waiver for recovery of excess managerial remuneration paid to Mr. Kapil Mehan, Managing Director of the company for the financial year 2015-16, subject to the approval of the Central Government.

Pursuant to the provisions of Companies Act, 2013, the Company made an application to the Central Government for seeking the waiver of excess managerial remuneration paid.

The provisions relating to managerial remuneration contained in Sections 196, 197, 198, 200, 201 and Schedule V to the Companies Act, 2013 (the "Act") have been amended pursuant to the Companies (Amendment) Act, 2017 (the "Amendment Act"), which has come into force with effect from September 12, 2018 (the "Effective Date"). Pursuant to the amended Section 197 of the Act, companies have been permitted to pay remuneration to managerial personnel in excess of the limits prescribed under Section 197 read with Schedule V to the Act with the consent of the members of the company given by way of a special resolution and without requiring the approval of the Central Government (as required under Section 197 read with Schedule V to the Act before the Effective Date). Further, pursuant to the amended Section 197 of the Act, any application pending with the Central Government under Section 197 on the Effective Date will automatically abate on the Effective Date and companies are required to seek approval from the members of the company within a period of 1 (one) year from the Effective Date in relation to the remuneration paid / payable to the managerial personnel or waiver of recovery of excess remuneration paid to the managerial personnel.

As on the Effective Date, the application made by the Company for approval of the Central Government for waiver of excess remuneration paid to Mr. Kapil Mehan was pending with the Central Government, and in light of the provisions of the Amendment Act, such application stood automatically abated. Further, the Central Government vide its letter dated October 23, 2018, has informed the Company that the application filed by the Company on October 19, 2017 under the provisions of Section 197 of the Act for waiver of excess remuneration paid to Mr. Kapil Mehan which was pending with the Central Government will abate and the application made by the Company has been closed and filed.

Pursuant to the provisions of the Amendment Act, the waiver of recovery of such excess remuneration now requires the approval of the Members of the Company in accordance with the provisions of the Amendment Act.

None of the Directors or key managerial personnel of the Company or their relatives are, in any way concerned or interested, financially or otherwise, in the proposed resolution.

Since the Amendment Act mandates to obtain requisite approvals as per the Amendment Act, within 1 (one) year from the effective date, the Board recommends the Special Resolution as set out in Item No. 1 of the Notice for approval of the members.



## **Item No. 2**

Pursuant to the provisions of Section 186 of the Companies Act, 2013 the Board of Directors of a Company is authorized to give loan, guarantee or provide any security to any person or body corporate or acquire by way of subscription, purchase or otherwise, the securities of any body corporate, upto an amount of which shall not exceed the prescribed ceiling of sixty percent of the aggregate of the paid up capital and free reserves, securities premium account or hundred percent of its free reserves and securities premium account, whichever is more.

Rule 11(1) of Companies (Meetings of Board and its Powers) Rules, 2014 also provides that where a loan or guarantee is given or where a security has been provided by a company to its wholly owned subsidiary company or a joint venture company, or acquisition is made by a holding company, by way of subscription, purchase or otherwise of, the securities of its wholly owned subsidiary company, the requirement of prior approval by means of a Special Resolution at a General Meeting shall not apply, subject to the provisions contained therein.

The Company is undertaking various business activities through its subsidiaries/joint ventures and is also making strategic investments from time to time in subsidiaries/joint ventures and other bodies corporate. It would therefore, be required to provide financial assistance/support from time to time in the form of infusion of capital or by way of giving of loans/guarantee into their business for the expansion activities as well as for optimum utilization of funds.

It is therefore, necessary to authorize the Board to make any loan(s) to and/or to give any guarantee(s)/provide any security, in connection with loan(s) taken by, subsidiaries/bodies corporate and/or to acquire by way of subscription, purchase or otherwise, the securities of subsidiaries/bodies corporate in India or outside upto the limits provided in the proposed Special Resolution. Accordingly, the Board of Directors may be authorized to give loans, guarantees, provide securities or make investments as mentioned above upto an aggregate amount outstanding which shall not exceed Rs.1000 Crores which shall be over and above the limits as specified in Section 186(2) of the Companies Act, 2013 and the aggregate outstanding amount of investment made in wholly owned subsidiaries and/or joint venture companies and the amount of loans/ guarantees/ securities given /provided to wholly owned subsidiaries.

The proposed Special Resolution as set out in Notice is enabling in nature for any further loan/investment/guarantee/security, to be made or given to subsidiaries/bodies corporate/to any Banks, Financial Institutions or any other person as per the provisions of the Companies Act, 2013.

Hence, the approval of the Members of the Company is sought for exercising these powers by the Board.

The Board has unanimously approved the above proposal at its meeting held on 15<sup>th</sup> May, 2019.

None of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested financial or otherwise in the said Special Resolution except to the extent of their shareholding, if any, in the Company.

The Board of Directors recommends resolution as set out in item no. 2 for approval of the members of the Company by way of a Special Resolution

## **Item No. 3.**

On the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 28<sup>th</sup> July, 2017 and the Members at the Annual General Meeting of the Company held on 22<sup>nd</sup> September, 2017 approved appointment and payment of remuneration to Mr. Sunil Sethy (DIN: 00244104), as the Managing Director of the Company for the period of 2 years with effect from 1<sup>st</sup> August, 2017.

Considering the past performance of the Company, at the time of appointment and fixation of remuneration to Mr. Sunil Sethy as Managing Director of the Company w.e.f 1<sup>st</sup> August, 2017 the Board had anticipated adequate profits for the F.Y. 2018-19. In view of which, statement containing the detail information as required were not provided in the AGM Notice of 2017, for appointment and remuneration of Mr. Sunil Sethy as Managing Director.

The Company suffered loss for FY 2018-19. Remuneration paid to Mr. Sunil Sethy Managing Director for Financial Year 2018-19 was within the limits under Sec II of Part II of Schedule V. In view of loss suffered by the Company and in accordance with Sec II of Part II of Schedule V, it is proposed to obtain shareholders approval by way of Ordinary Resolution for Remuneration paid to Mr. Sunil Sethy, Managing Director for the FY 2018-19.

Mr. Sunil Sethy does not have any interest in the capital of the company or its holding company or any of its subsidiaries directly or indirectly or through any other statutory structures and does not have any direct or indirect interest or related to the directors or promoters of the company or its holding company or any of its subsidiaries at any time during the last two years before or on or after the date of his appointment. Mr. Sethy holds a graduate level qualification with expertise and specialised knowledge in the field in which the company operates.

The Nomination and Remuneration Committee and the Board at its respective meeting held on 15<sup>th</sup> May, 2019 approved the remuneration paid to Mr. Sunil Sethy, Managing Director in absence of profits for Financial Year 2018-19 pursuant to Section II of Part II of Schedule V of the said Act, subject to the approval of members.



## **Other Information required under Sec II of Part II of Schedule V.**

It is hereby stated the Company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor for the Financial Year 2018-19.

### **I. GENERAL INFORMATION**

#### **1. Nature of Industry:**

Zuari Agro Chemicals Limited is one of the leading fertilizer manufacturing companies in India. The Company manufactures urea & complex fertilizers of various grades at its manufacturing facility in Goa, SSP Fertilizers at Mahad Plant in Maharashtra, 100% water soluble fertilisers at Baramati plant.

Agriculture plays a crucial role in the Indian economy and about 60% of the India's workforce is dependent on agriculture and allied activities for their livelihood. As India's food requirement is increasing proportionally with the ever-increasing population, correspondingly, there is also an increase in the requirement of crops. Fertilizers remain as the key to future development of agriculture. It is for this very reason that fertilizer has been declared as an essential and controlled commodity. India has more than 57 large and 64 medium and small fertilizer production units under the Indian fertilizer industry. Zuari Agro Chemicals Limited is among the largest fertilizer manufacturing Companies of India.

#### **2. Commencement of Commercial Production:**

The Company was incorporated on 10th September, 2009. In the year 2012, vide a Scheme of Arrangement and Demerger between the company and its then 100% holding Company, Zuari Industries Limited, the fertiliser Division of Zuari Industries Limited was demerged and vested into the Company. Commercial production of fertilizers at the manufacturing facility at Goa began in the Year 1973.

#### **3. Financial Performance based on given indicators:**

	<b>Rs. In lakhs</b>	
<b>Year</b>	<b>2018-19</b>	<b>2017-18</b>
Paid up capital	4205.80	4205.80
Reserve & Surplus	39,159.83	63,178.41
Total Revenue	5,19,541.55	473,120.58
Profit Before Tax	(22,281.21)	3,912.64
Profit After Tax	(21,114.92)	3,033.42

#### **4. Foreign investments or collaborations:**

The Company has two joint ventures, namely Zuari Maroc Phosphates Private Limited and MCA Phosphates Pte Limited. Zuari Maroc Phosphates Private Limited is a 50:50 joint venture company between Office Cherifien Des Phosphates (OCP), S.A and the Company. MCA Phosphates Pte Limited is a Joint Venture company between Mitsubishi Corporation, Japan and the Company.

### **II. Information about appointee:**

#### **1. Background details:**

Mr. Sunil Sethy was appointed as Managing Director of the Company with effect from August 1, 2017. He is also Managing Director of Paradeep Phosphates Limited. He is a finance professional having 40 years of experience in different Companies out of which, 29 years was in Finance discipline and 11 years as MD/CEO.

#### **2. Past Remuneration details :**

Rs. 50.05 lakhs & Rs. 89.99 lakhs for FY 2017-18 & 18-19 respectively.

#### **3. Recognition or awards:**

Mr. Sunil Sethy is serving as Director on the Board of The Fertiliser Association of India.

#### **4. Job profile and his suitability:**

He has over 40 years of experience in accountancy, finance, law and general management. Prior to his appointment on the Board of our Company, he has served as the Managing Director of Chambal Fertilizers and Chemicals Limited and the Vice Chairman and Managing Director of Binani Industries Limited.

#### **5. Remuneration proposed:**

As disclosed above.

**6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

The remuneration paid to Mr. Sunil Sethy is fully justifiable and comparable as prevalent in the industry keeping in view the profile and position of Managing Director. The remuneration paid for Financial Year 2018-19 to Mr. Sunil Sethy was decided by the Nomination and Remuneration Committee of the Board, after considering skills, expertise, knowledge and proficiency required for the position.

**7. Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel:**

Besides the remuneration paid to Mr. Sunil Sethy, he does not have any other pecuniary relationship either directly or indirectly with the Company or relationship with managerial personnel.

**III Other Information:**

**1. Reason for loss or inadequate profits:**

Increase in Raw Material prices along with weakened currency compared to last year resulted in higher input cost which could not be passed on completely and also resulted in lesser quantity sold in current year. The quantity sold (including traded material) reduced by 1.54 lac metric tonnes compared to last financial year.

Higher cost of financing due to increased working capital requirement. The average working capital requirement increased during the year due to accumulation of inventory in key markets after weak monsoon conditions.

Overall increase in inventory in the markets resulted in lesser collection of debtors and consequential rise in provisioning for doubtful receivables and advances during the year under normal provisioning policies. Higher inventory accumulation also resulted in provisioning of obsolete inventory in the business on a conservative accounting principles

**2. Steps taken or proposed to be taken for improvement :**

In order to improve the financial performance of the Company, various steps are being initiated and implemented including integrated approach in its operations across various functions, rationalization of production and sales processes, raising of funds through modes, cost reduction and increase of operational efficiency.

**3. Expected increase in productivity and profits in measurable terms:**

The management is expecting improvement in its productivity through various measures taken and is hopeful of emerging as a stronger contender against other players in the industry.

**IV Other Disclosures:**

- 1. all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;** - The remuneration paid to Managing Director comprise of Salary. All Non Executive Directors receive sitting fees for attending Board and Committee Meetings.
- 2. details of fixed component and performance linked incentives along with the performance criteria – NIL**
- 3. service contracts, notice period, severance fees;** - Notice period for termination of appointment is six months on either side. No severance pay is payable on termination of the appointment of Managing Director.
- 4. stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.-** Company does not have Employee Stock Option Plan.

Except, Mr. Sunil Sethy, none of the other Directors, Key Managerial Personnel (KMPs) of the Company/their relatives are in any way concerned or interested in the said resolution.

The Board of Directors recommends passing of an Ordinary Resolution as set out at Item No. 3 of this Notice.

**By Order of the Board of Directors**

**R Y Patil  
Vice President & Company Secretary  
F.C.S. No. 2845**

Date : 15<sup>th</sup> May, 2019  
Registered Office : Jai Kisaan Bhawan,  
Zuarinagar, Goa – 403 726



# adventz

**ZUARI AGRO CHEMICALS LIMITED**

**CIN- L65910GA2009PLC006177**

Registered Office: Jai Kisaan Bhawan, Zuarinagar, Goa 403 726

Website: www.zuari.in, Tel.: 0832-2592180

## POSTAL BALLOT FORM

Sr. No.: :

Date: 23/05/2019

Name & Registered Address of the first named Member

Name(s) of the Joint Holder(s), if :  
any

Registered Folio Number/DP ID :  
No./Client ID No.\* \*(Applicable to investors holding shares in dematerialised form)

Number of Equity shares held :

I/We hereby exercise my/our votes in respect of the resolutions set out in the Postal Ballot Notice dated 15<sup>th</sup> May, 2019 by sending my/our assent/dissent to the said resolution by placing (√) mark at the appropriate box below.

*(Tick mark in both the boxes for the below resolution, will render the Ballot invalid):*

Sr. No	Description	Type of Resolution	No. of equity shares	I/We assent to the resolution (FOR) (√)	I/We dissent to the resolution (AGAINST) (√)
1	Waiver of recovery of excess remuneration paid to Mr. Kapil Mehan, Ex-Managing Director of the Company for the Financial Year 2015-16, in view of the amended provisions of the Companies Act, 2013	Special			
2	Enhancement in the Limits of investments /Loans and Guarantees.	Special			
3	Remuneration paid to Mr. Sunil Sethy, Managing Director for Financial Year 2018-19.	Ordinary			

### ELECTRONIC VOTING PARTICULARS

(E-Voting Sequence Number)	User ID	Default PAN / Sequence No
190058		

Date:

Place:

.....  
Signature of the Member

**Note:**

**1. Please read the instructions printed overleaf before exercising your vote.**

**2. Last day for the receipt of Postal Ballot Form by scrutinizer is on Wednesday, 26<sup>th</sup> June, 2019 by 5:00 PM.**



## INSTRUCTIONS

### **General Instructions:**

1. This Ballot Form is provided for the benefit of the members not having access to the remote e-voting facility, to enable them to send their assent or dissent by post.
2. The Members can opt for only one mode of voting, i.e. either by physical Postal Ballot Form or by remote e-voting. In case Members cast their votes through both the modes, voting done by remote e-voting shall prevail and votes cast through physical Ballot Forms will be treated as invalid.
3. For detailed instructions on remote e-voting, please refer the instructions appended to the Postal Ballot Notice.

### **Process and manner for members opting to vote through physical Postal Ballot Form:**

1. A member desirous of exercising vote by Postal Ballot should fill the Postal Ballot Form in all respects, sign and send it to the Scrutinizer in the attached self-addressed postage pre-paid envelope which should be properly sealed. However, envelopes containing Postal Ballot Form, if sent by courier at the expense of the Member will also be accepted.
2. Consent must be accorded by placing a tick mark {✓} in the column 'I/we assent to the resolution' or dissent must be accorded by placing a tick mark {✓} in the column 'I/we dissent to the resolution'
3. The Postal Ballot Form should be signed by the Member as per specimen signature registered with the Company/Depository Participant. In case the shares are jointly held, this Form should be filled and signed (as per specimen signature registered with the Company) by the first named member and in his/her absence, by the next named member. Holders of Power of Attorney (POA) on behalf of the member may vote on the Postal Ballot mentioning the registration No. of the POA or enclosing an attested copy of POA. Unsigned Postal Ballot Form will be rejected.
4. Duly completed Postal Ballot Forms should reach the Scrutinizer not later than 5.00 p.m. on Wednesday, 26<sup>th</sup> June, 2019. Postal Ballot Forms received after that date will be strictly treated as if reply from such member has not been received.
5. The voting shall be reckoned in proportion to a Member's share of the paid up equity share capital of the Company as on Friday, the 17<sup>th</sup> May, 2019.
6. In case of shares held by companies, Trusts, Societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/ Authority and preferably with attested specimen signature(s) of the duly authorized signatory(s) giving requisite authority to the person voting on the Postal Ballot Form.
7. Members are requested not to send any other paper(s) along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid envelope. If any extraneous paper is found in such envelope, the same would not be considered and would be destroyed by the Scrutinizer.
8. The exercise of vote by Postal Ballot is not permitted by proxy.
9. There will be only one Postal Ballot Form for every folio/ client ID irrespective of the number of Joint Holder(s).
10. Incomplete, unsigned, improperly or incorrectly tick marked Postal Ballot Forms will be rejected.
11. Members from whom no Postal Ballot Form is received or received after the aforesaid stipulated period shall not be counted for the purposes of passing of the resolution.
12. The Scrutinizer's decision on the validity of a Postal Ballot shall be final.
13. The result of the postal ballot will be announced on Thursday, 27<sup>th</sup> June, 2019 at the 4.00. P.M. at the registered office of the Company and the same shall be displayed on the Notice Board of the Registered Office, Corporate Office and on the website of the Company at [www.zuari.in](http://www.zuari.in). The same shall also be communicated to the Stock Exchanges.
14. Kindly note that any query in relation to the proposed resolutions to be passed by Postal Ballot may be addressed to The Vice President & Company Secretary, Zuari Agro Chemicals Limited, Jai Kisaan Bhawan, Zuari Nagar, Goa - 403 726. Tel No. : 0832-2592180 Email : [shares@adventz.com](mailto:shares@adventz.com).