

**BEFORE THE ADJUDICATING OFFICER  
SECURITIES AND EXCHANGE BOARD OF INDIA  
SETTLEMENT ORDER No. SO/AK/GN/2025-26/8384-8388**

In respect of:

Applicant No.	Name of the applicant	Application No.	PAN of the applicant
Applicant 1	Zuari Agro Chemicals Limited (ZACL)	8384/2025	AAACZ3924H
Applicant 2	Sunil Sethy	8385/2025	ABTPS5430L
Applicant 3	R K Gupta	8386/2025	ABZPG0160B
Applicant 4	Nitin Manguesh Kantak	8387/2025	ADRPK2173L
Applicant 5	Vijayamahantesh Khannur	8388/2025	ASAPK8872A

**In the matter of Zuari Agro Chemicals Limited**

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') initiated adjudication proceedings under SEBI Act, 1992 (hereinafter referred to as "**SEBI Act**") against Applicant 1 to Applicant 5 (hereinafter collectively referred to as **Applicants**) for alleged violation of following by the Applicants;

Applicant No.	Alleged violation
1	Regulation 4(1) (a), (b), (c), (d), (e), (g) (h), (i), (j), 4(2)(e)(i), 23 (2), 23 (4) and 48 of SEBI(LODR) Regulations 2015 read with Ind-AS-8. Section 12A (a), (b), (c) of SEBI Act 1992 and Regulation 3(b), (c), (d), 4(1), 4(2)(f), (k) of SEBI (PFUTP) Regulations 2003.
2	Regulations 4(1) (a), (b), (c), (d), (e), (g) (h), (i), (j), 4(2)(e)(i), & 48 of SEBI (LODR) Regulations 2015 read with Ind-AS-8 and Section 27 of SEBI Act, 1992. Regulations 4(2)(f)(i)(2), 4(2)(f)(ii)(2),(6),(7)&(8), 4(2)(f)(iii)(1)(3),(6)&(12) and 17(8) read with Part B of Schedule II of SEBI (LODR) Regulations, 2015.

	Section 12A (a), (b), (c) of SEBI Act 1992 and Regulation 3(b), (c), (d), 4(1), 4(2)(f), (k) of SEBI (PFUTP) Regulations 2003.
3	Regulation 4(1) (a), (b), (c), (d), (e), (g) (h), (i), (j), 4(2)(e)(i), 23(2), 23(4) & 48 of SEBI (LODR) Regulations 2015 read with Ind-AS-8 and Section 27 of SEBI Act, 1992. Regulation 17(8) read with Part B of Schedule II of SEBI (LODR) Regulations, 2015. Section 12A (a), (b), (c) of SEBI Act 1992 and Regulation 3(b), (c), (d), 4(1), 4(2)(f), (k) of SEBI (PFUTP) Regulations 2003.
4	Regulations 23(2) and 23(4) SEBI (LODR) Regulations, 2015, read with Section 27 of SEBI Act, 1992.
5	Regulations 6(2) (a) and (c) of SEBI (LODR) Regulations, 2015. Regulations 23(2) and 23(4) SEBI (LODR) Regulations, 2015, read with Section 27 of SEBI Act, 1992.

2. SEBI appointed the undersigned as an Adjudicating Officer (AO), vide communique dated December 04, 2024 under Section 15-I of SEBI Act, 1992 (hereinafter referred to as '**SEBI Act**') and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as '**Adjudication Rules**') r/w Section 19 of the SEBI Act to inquire into and adjudge under section 15HA and 15HB of SEBI Act for Applicant 1 to 3 and under section 15HB of SEBI Act for Applicant 4 and 5.
  
3. A Show Cause Notice dated January 14, 2025 (hereafter referred to as "**SCN**") was issued to the Applicants in terms of the provisions of Rule 4(1) of the Adjudication Rules, 1995 r/w Section 15-I of SEBI Act calling upon the Applicants to show cause why an inquiry should not be held and penalty not imposed, u/s 15HA and 15HB of the SEBI Act against the Applicants as mentioned in the aforesaid table for the alleged violation of the aforesaid provisions. The said SCN was issued to the Applicants as the Applicants failed to ensure the following compliances-

- a) Applicant 1 has under-reported its losses for FY 2019-20 and also the real impact of the impairment was reflected neither in the financial statement of FY 2019-20 nor in the financial statements of FY 2018-19. Thus, ZACL has misrepresented its financial statement for FY 2019-20.
- b) The acts of Applicant 1 i.e. i) inappropriately recording impairment of investment amounting to INR 117.79 Crore in the comparatives of FY 2019-20 (i.e. FY 2018-19) and ii) transferring certain businesses under slump sale to its wholly owned subsidiary at an exceptional gain of INR 698.97 Crore, was fraudulent. As the same was in the nature of a device, scheme or arrangement, through which ZACL has deliberately concealed the actual financial position of ZACL and misrepresented its financial statement for FY 2019-20.
- c) Applicant 1 had not taken prior approval of its Audit Committee and Shareholders for entering into Material Related Party Transactions with one of its related parties viz. M/s Paradeep Phosphate Limited amounting to INR 811.33 Crore.
- d) Applicant 2, Managing Director of the company did not perform his duties and obligations, which resulted in publication of misrepresented/ misstated financial statements and CEO and CFO Certification of ZACL for financial year 2019-20 and being in-charge of operations and decision making process, is held responsible for the violations committed by the company.
- e) Applicant 4, Whole-time Director of the company did not perform his duties and obligations, which resulted in not taking prior approval of the audit committee and approval of shareholders for related party transaction for financial year 2020-21.
- f) Applicant 3 had failed in his duties as a CFO of ZACL and his actions have been detrimental to the interest of the shareholders of ZACL. He is also held responsible for failure to take requisite approvals for RPTs.
- g) Applicant 5, Company Secretary of the company did not perform his duties and obligations, which resulted in not taking prior approval of the audit committee and approval of shareholders for related party transaction for financial year 2020-21.

4. Pending Adjudication Proceedings, the Applicant proposed to settle the instant proceedings initiated against it, without admitting or denying the facts and conclusions of law, through a settlement order and filed a settlement application with SEBI, bearing Application No. 8384/2025, 8385/2025, 8386/2025, 8387/2025 and 8388/2025 respectively by Applicant 1 to Applicant 5 on March 07, 2025, in terms of the provisions of SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as “**Settlement Regulations**”).
5. After attending meeting with the Internal Committee of SEBI on June 26, 2025 and September 17, 2025 in terms of the Settlement Regulations, applicant, vide letter dated July 14, 2025 and October 08, 2025 proposed revised settlement terms. The High Powered Advisory Committee (hereinafter referred to as '**HPAC**') in its meeting held on July 24, 2025 and November 28, 2025 considered the settlement terms proposed and recommended that the case may be settled on the following settlement terms-

<b>Applicant No.</b>	<b>Monetary settlement terms</b>	<b>Non-monetary settlement terms</b>
Applicant 1	₹1,19,92,500/- (Rupees One Crore Nineteen Lakhs Ninety Two Thousand Five Hundred only)	Voluntary debarment for a period of 3 months from buying, selling or trading in securities market.
Applicant 2	₹73,12,500/- (Rupees Seventy Three Lakhs Twelve Thousand Five Hundred only)	Voluntary debarment for a period of 4 months from buying, selling or trading in securities market.
Applicant 3	₹73,12,500/- (Rupees Seventy-Three Lakhs Twelve Thousand Five Hundred only)	Voluntary debarment for a period of 4 months from buying, selling or trading in securities market.
Applicant 4	₹12,67,500/- (Rupees Twelve Lakhs Sixty Seven Thousand Five Hundred only)	Not Applicable
Applicant 5	₹12,67,500/- (Rupees Twelve Lakhs Sixty Seven Thousand Five Hundred only)	Not Applicable

6. The Panel of Whole Time Members of SEBI approved the said recommendation of the HPAC on February 02, 2026 and the same was communicated by SEBI to the Applicant on February 04, 2026.
7. Applicants, vide email dated February 24, 2026 informed about the remittance of the aforesaid settlement amounts and the receipt of which is confirmed.
8. Therefore, in view of the acceptance of the settlement terms and the receipt of settlement amount as above by SEBI, the adjudication proceedings initiated against Applicant vide SCN dated January 14, 2025 is disposed of in terms of section 15JB of the SEBI Act read with regulation 23(1) of the Settlement Regulations.
9. This order is without prejudice to the right of SEBI to take enforcement actions, in terms of regulation 28 of the Settlement Regulations, including restoring or initiating the proceedings in respect of which the settlement order is passed against the applicants, if:
  - i. It comes to the notice of the Board that the applicant has not made full and true disclosure;
  - ii. Applicant has violated the undertakings or waivers:
10. This settlement order is passed on this day of **March 05, 2026** and shall come into force with immediate effect.
11. In terms of regulation 25 of the Settlement Regulations, copies of this order are being sent to the Applicants and also to SEBI.

**Date: March 05, 2026**

**Place: Mumbai**

**AMIT KAPOOR**  
**ADJUDICATING OFFICER**