



**“GROWTH IN ORDER TO BE MEANINGFUL AND IMPACTFUL  
NEEDS TO BE SUSTAINABLE.**

**“** For SCL, sustainable growth is the result of the momentum that we have built over the years and which keeps the organisation continually on the path of growth. It is the cumulative outcome of the successful establishment of our brands and in the Indian and International markets, founded on **28 years of growing trust and excellence.**





## *Stepping in the new era ....*

*.....for bringing more to the table.*

Over the years, **SCL's** multiple drivers of growth have been carefully crafted to match internal competencies with the emerging opportunities of a growing Indian market. A robust portfolio of businesses leverage SCL's unique enterprise strengths in terms of its deep consumer insight, intimate rural linkages, superior agri-sourcing, cutting-edge Research & Development, world-class manufacturing, brand building skills, innovative consumer packaging, focus on digital technologies and an extensive trade marketing, distribution and logistics network. These unique enterprise strengths enable SCL to create multiple drivers of growth across all the three sectors – agriculture, manufacturing and services, whilst making a significant and holistic contribution to society, environment and the economy.

Consumers are influenced by convenience, weight management, quickness, easy storage and serving. What, where, and how much they eat are all getting redefined. SCL has the experience and is poised to tap the opportunities arising out of this. It has a nationwide distribution chain in place. It has many known and accepted food brands in various markets. It is acknowledged for its standards in hygiene, product quality and wholesomeness.

SCL's commitment towards a paradigm of growth that is sustainable and inclusive will continue to shape a better and secure future for its stakeholders and the nation.



## INDEX

| Particulars   | Page No        |
|---|----------------|
| <b>Corporate Information</b>  | <b>4-5</b>     |
| <b>Performance Overview</b>   | <b>6-8</b>     |
| <b>Chairman's Message</b>   | <b>9-11</b>    |
| <b>Director's Report</b>  | <b>12-26</b>   |
| <b>Annexure to the Director's Report</b>                              | <b>27-44</b>   |
| <b>Management Discussion &amp; Analysis Report</b>                    | <b>45-52</b>   |
| <b>Corporate Governance Report</b>                                    | <b>53-81</b>   |
| <b>Directors declaration of compliance with Code of Conduct</b>       | <b>82</b>      |
| <b>CEO/CFO Certification</b>  | <b>83</b>      |
| <b>Auditor's Certificate on Corporate Governance</b>                  | <b>84-85</b>   |
| <b>Independent Auditors Report</b>                                    | <b>86-104</b>  |
| <b>Financial Statements</b>   | <b>105-129</b> |
| <b>Financials for Half Year Ended 30<sup>th</sup> September, 2019</b> | <b>130-132</b> |
| <b>Notice of Annual General Meeting</b>                               | <b>133-140</b> |
| <b>Attendance Slip</b>  | <b>141</b>     |
| <b>Proxy Form</b>   | <b>142-143</b> |
| <b>Email Registration</b>   | <b>144</b>     |
| <b>AGM Route Map</b>  | <b>145</b>     |



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

**Mr. Gulab Chand Agrawal**  
(DIN: 000256621)  
Executive Chairman

**Mr. Satish Agrawal**  
(DIN: 00256583)  
Whole Time Director

**Mr. Ashok Kumar Agrawal**  
(DIN: 001199530)  
Whole Time Director

### Non-Executive Director

**Mr. Anil Agrawal**  
(DIN: 00256539)  
Professional Director/Principal Advisor/Mentor

### Chief Financial Officer

Mr. Anil Kumar Vishwakarma

### Bankers

Punjab National Bank (Lead Banker)  
State Bank of India

Central Bank of India  
Bank of India  
Oriental Bank of Commerce  
Bank of Baroda  
IDBI Bank Limited  
Vijaya Bank  
Andhra Bank  
Canara Bank

### Non-Executive Independent Directors

**Mr. Shailesh Baluapuri**  
(DIN: 08259101)  
*\*(Resigned w.e.f. 11.10.2018)*

**Mr. Amitendra Shrivastava**  
(DIN: 08284331)  
*\*(Resigned w.e.f. 31.10.2018)*

**Mr. Surendra Kumar Jain**  
(DIN: 02197169)

**Mrs. Shivani Jhariya**  
(DIN: 07262839)  
*\*(Resigned w.e.f. 11.06.2019)*

**Mr. Hari Krishna Agrawal**  
(DIN: 00564223)  
*(Term expired on 30.03.2019)*

**Mr. Shyam Babu Agrawal**  
(DIN: 00888301)  
*(Term expired on 30.03.2019)*

**Mr. Hans Kumar Verma**  
(DIN: 02197207)  
*(Term expired on 30.03.2019)*

**Mr. Santosh Kumar Tiwari**  
(DIN: 02197207)  
*(Term expired on 30.03.2019)*

### Company Secretary

Ms. Komal Madhyani  
*\*(Resigned w.e.f. 30.04.2019)*

Ms. Pragya Raghuwanshi  
*\*(Appointed on 15.05.2019)*  
*\*(Resigned on 01.10.2019)*



### Registrar And Share Transfer Agents

#### Sanwaria Consumer Limited (In House)

Office Hall No. 1, 1<sup>st</sup> Floor, Metro walk,  
Bittan Market,, Bhopal M.P. – 462016.

Telephone: +91-755-4294878

Fax: +91-755-4295038

Email-id: [rta@sanwariaconsumer.com](mailto:rta@sanwariaconsumer.com)

ICAI Firm Registration No. 116884W

### Statutory Auditors

M/s SPJV & Co.

Chartered Accountants

ICAI Firm Registration No. 116884W

Priyadarshini Prabha, Top Floor, SBI Colony

M.P Nagar, Zone-11, Bhopal- 4620111

*(Resigned w.e.f. 24.09.2019)*

### Stock Exchange

#### Bombay Stock Exchange Limited (BSE)

BSE Code: 519260

Floor 25, PJ Towers, Dalal Street,  
Mumbai – 400001

#### Registered Office

Office Hall No. 1, 1<sup>st</sup> Floor, Metro walk,  
Bittan Market, Bhopal, M.P. – 462016)

Website: [www.sanwariaconsumer.com](http://www.sanwariaconsumer.com)

Email-id: [compliance@sanwariaconsumer.com](mailto:compliance@sanwariaconsumer.com)

#### National Stock Exchange of India Limited (NSE)

NSE Symbol: SANWARIA

Exchange Plaza, Bandra Kurla Complex,  
Bandra (East)

Mumbai- 400051

### Plant Locations

#### Soya Oil Division

- ❖ Unit-I & Unit-II, 53A, 53B, Sec A, Industrial Area, Mandideep (M.P.)
- ❖ 19-30, Industrial Area, Kheda, Itarsi (M.P.)
- ❖ Kosmi Industrial Area. Betul (M.P.)

#### Soya Bari (Chunks) Division

- ❖ 53A, 53B, Sec-A, Industrial Area Mandideep (M.P.)

#### Soya Flour Division

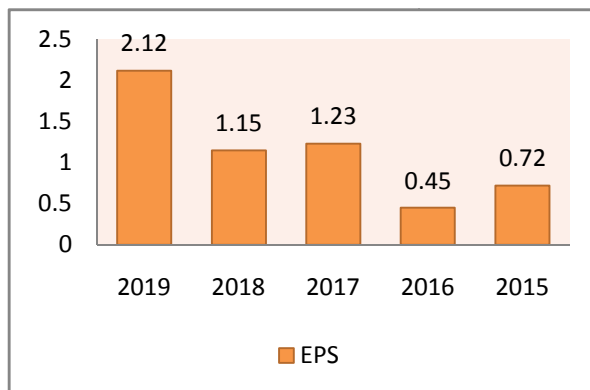
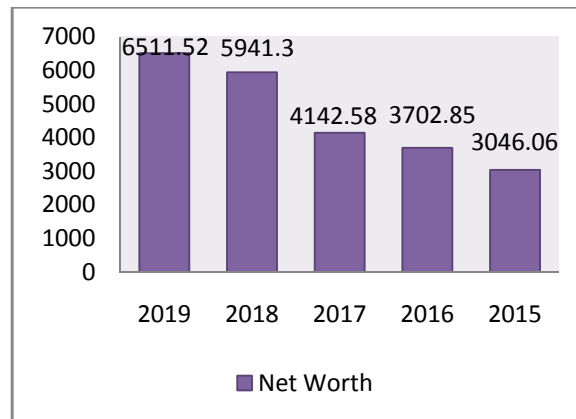
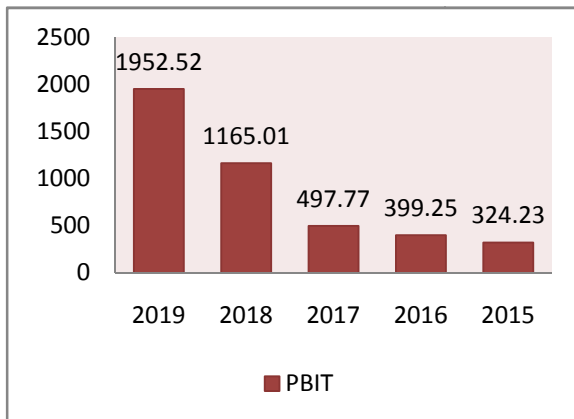
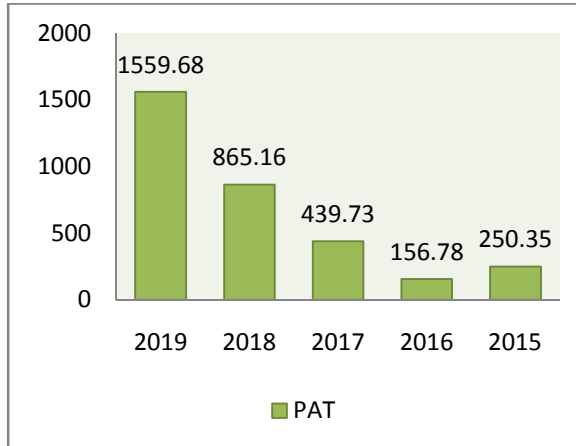
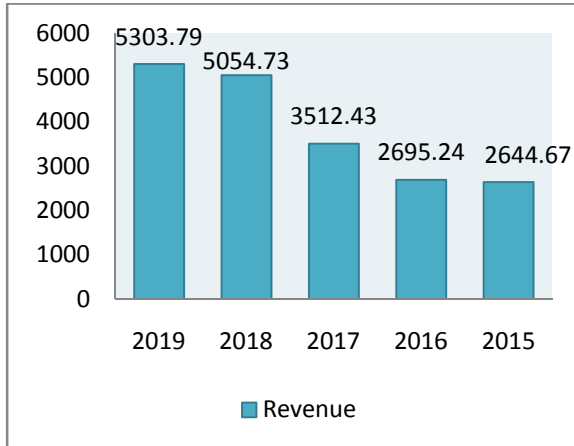
- ❖ 53A, 53B, Sec-A, Industrial Area, Mandideep (M.P.)

#### Rice Division

- ❖ Unit-I, 55, Sec A Industrial Area, Mandideep (M.P.)
- ❖ Unit-II, Vill. Kiratpur, Teh. Itarsi (M.P.)



## Performance Overview

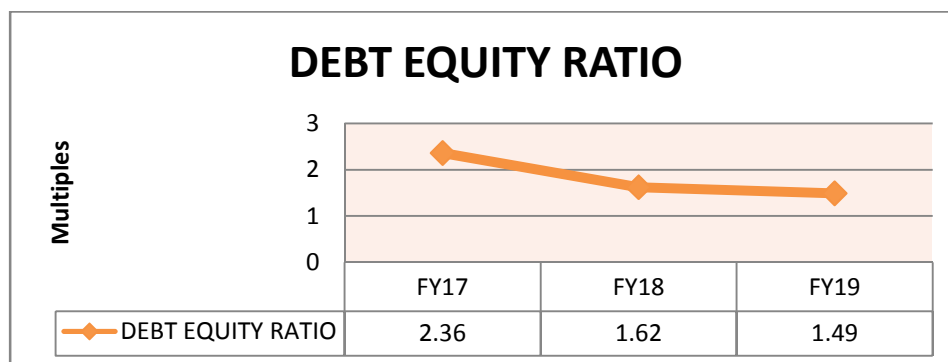
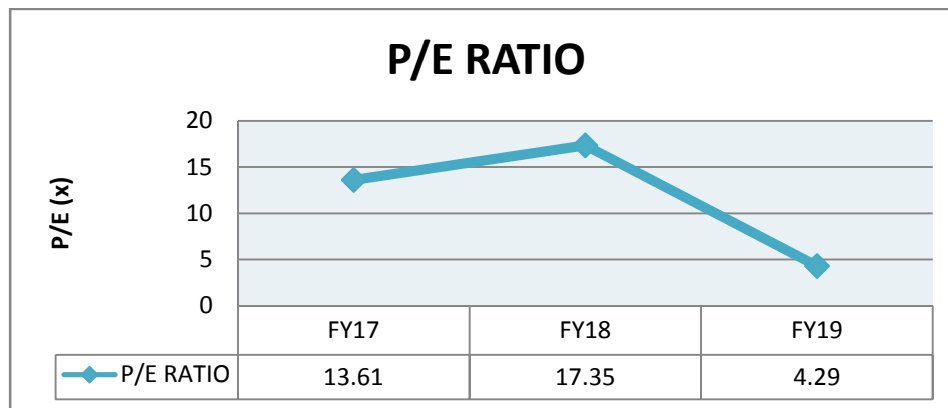


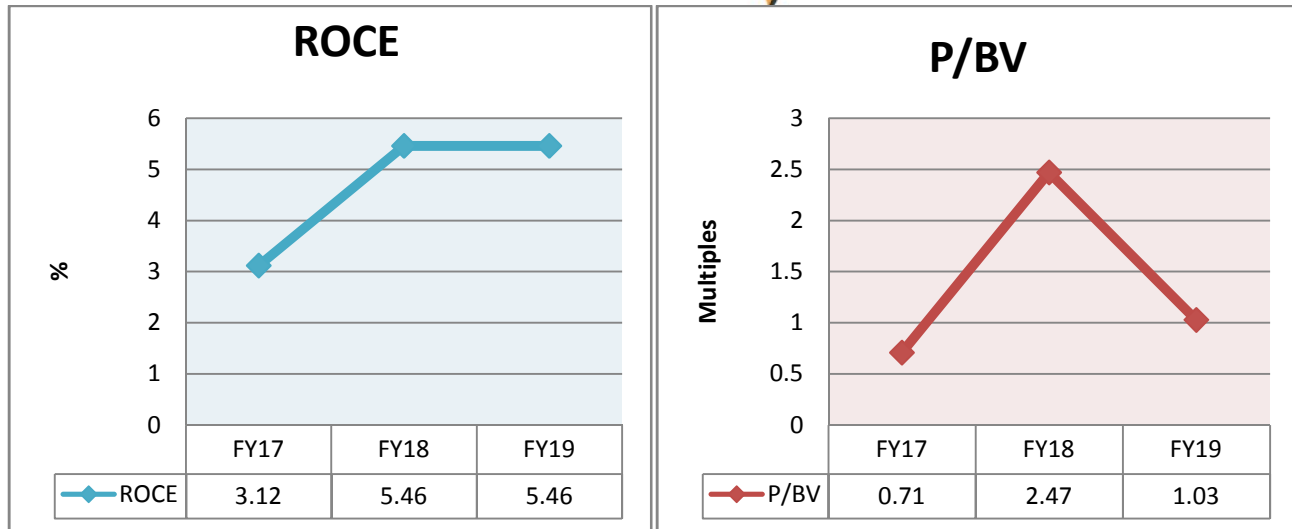
THE OVER-ARCHING STORY  
IN INDIA DURING THE FY 18-19 WAS  
LARGELY THE SAME.  
DROUGHT  
PESSIMISM  
GUARDED SPENDING.  
AND YET,  
SANWARIA CONSUMER LIMITED  
REPORTED 4.96 PER CENT GROWTH  
IN TOP LINE  
&  
80.27 PER CENT GROWTH IN  
BOTTOM LINE.



## Ratio Analysis

| Particulars           | FY17  | FY18  | FY19  |
|-----------------------|-------|-------|-------|
| EPS (Rs.)             | 1.23  | 1.15  | 2.12  |
| EBITDA Margin (%)     | 3.53  | 3.94  | 5.39  |
| PBT Margin (%)        | 1.42  | 2.30  | 3.68  |
| PAT Margin (%)        | 1.25  | 1.71  | 2.94  |
| P/E Ratio (x)         | 13.61 | 17.35 | 4.29  |
| ROE (%)               | 10.62 | 14.56 | 23.95 |
| ROCE (%)              | 3.12  | 30.79 | 37.96 |
| Debt Equity Ratio (%) | 2.36  | 1.62  | 1.49  |
| Book value (Rs.)      | 11.26 | 8.07  | 8.85  |
| P/BV                  | 0.71  | 2.47  | 1.03  |





(In Lakhs)

| Particulars        | 2014-15  | 2015-16  | 2016-17  | 2017-18  | 2018-19  |
|--------------------|----------|----------|----------|----------|----------|
| Share Capital      | 3480.50  | 3480.50  | 3680.50  | 7361.00  | 7361.00  |
| Reserves & Surplus | 26980.17 | 28548.03 | 37523.90 | 52052.04 | 57754.21 |
| Shareholders Fund  | 30460.67 | 37028.53 | 41204.40 | 59413.04 | 65115.21 |
| Borrowings         | 74536.05 | 84118.74 | 90373.92 | 97215.18 | 91156.18 |





## CHAIRMAN'S MESSAGE



**Dear Shareholders,**

I write this letter with a sense of pride about how well your Company performed in this year i.e. 2018-19, not just in financial terms, but also in terms what we have accomplished for customers, employees & shareholders across the world. We have successfully completed 28 years of establishment. The fiscal year gone by has been an eventful year. We continued to build trust with customers & communities by being responsible, transparent & our focus on building long term relationship. The year gone by has been both thrilling and significant for the company. Along with growing our sales and net revenue substantially, we also made significant increase in the net worth of the Company. The Company also created wealth for its shareowners and it consistently achieved high margins and reported robust year-on-year growth.

### **Strengthening Consumer Engagement to Drive Growth:**

Customers have always been at the heart of our initiatives. SCL is committed to deliver superior & differentiated products that create value for the Indian consumers. Our deep understanding of consumers, a strong portfolio of brands & products have enabled us to deliver broad based superior performance across all the divisions. We are focused more than ever on strengthening consumer engagement to drive growth. We strive to make our brand relatable & valuable to our consumer's lives. Some of the differentiated products undergo over various tests to conform to the best international standards offering consumers and future generations a safer and better product.

### **Business Overview**

The first step in setting up a business is the most difficult ones. There can be many ideas but converting them to business needs painstaking execution. The first seed of venturing into the Soya based manufacturing business was sown by ex-Chairman of the Company; Late Shri Ram Narayan Agrawal; in the early 90's due to the presence of rich soya belt in Madhya Pradesh and yet not potentially explored sector till then where soya having high nutritional content. It was a move to eradicate the ongoing predicament of malnutrition among the people of central India. The idea was well germinated and through his relentless efforts; he successfully built the business empire in the soya segment which has been steered into the FMCG Sector by the relentless efforts of second and third generation. Today, we are evolving swiftly from being an established branded soya company to an emerging global Food Company, with new strategic advancements and product developments underway.



Setting this long voyage; presently the Solvent Extraction capacity of your Company is 2500 ton per day and rice division with 600 ton per day capacity.

It has been an enriching experience to engage with & witness the evolution of Company as it traversed many a trial & tribulation to emerge as a vibrant & valuable multi business conglomerate.

### **Financial Overview:**

It was a challenging year for the industry with market volatility & economic uncertainty. In this challenging business environment, your Company delivered a strong performance. Our 'Connected 4 Growth' initiatives have made us more agile, customer centric and responsive to the diverse and rapidly evolving marketplace. Our 4G model of growth - consistent, competitive, profitable and responsible, continues to serve us well and 2018-19 was the twenty eight consecutive year of both top line growth and margin improvement.

We hereby share that your Company's Profit after Tax grew remarkably at the growth rate of 80.28% at Rs. 15596.84 Lakhs against Rs. 8,651.61 in the previous year and The total revenue of the SCL increased to Rs. 531779.77 Lakhs from Rs. 506657.78 Lakhs in the previous year, at a growth rate of 4.93 %. Net Worth of the Company increased by 9.59% to Rs. 65115.21 Lakhs as against Rs. 59,413.04 Lakhs in the PY 2017-18. The financial for half year ended 30<sup>th</sup> September, 2019 were not satisfactory as the Revenue of the Company stood Rs. 223943.03 Lakhs as against Rs. 249092.22 in the previous half year ended 30<sup>th</sup> September, 2018. Also the networth was Rs. 31942.67 as against Rs. 56938.98 in the previous half year ended 30<sup>th</sup> September, 2018. Also the Company suffered a loss of Rs. 38472 Lakhs due to below par/low level of activity or business operations due to unforeseen circumstances, one time provision for bad & doubtful debt.

### **Industry Overview**

The FMCG sector continues to be one of the largest sector contributing to the Indian economy. The overall outlook for the FMCG industry continues to remain positive. We are witnessing trends like increased disposal income, increased rural consumption which will fuel the growth of the FMCG sector in the upcoming years. With this changing consumption pattern, we are emerging as a Global Food Company. We are now pursuing strategies that involve greater differentiation and allow us to create sustainable value for all our stakeholders. To capitalize on the growing market opportunities, we embarked on diversifying our business, adding value through synergistic staples and foods business. At the same time, we aim to diversify into value added products to maximize shareholders value.