

MANAGEMENT REPORT

To

The Members

Sanwaria Consumer Limited

(Under Corporate Insolvency Resolution Process vide Order of Hon'ble NCLT dated 29.05.2020)

The Hon'ble National Company Law Tribunal Indore Bench ("NCLT") had vide its order dated May 29 2020 admitted the application for the initiation of the corporate insolvency resolution process ("CIRP") of Corporate Debtor in terms of the Insolvency and Bankruptcy Code 2016 read with the rules and regulations framed there under as amended from time to time ("Code"). Accordingly pursuant to the provisions of Section 17 of the IBC the powers of the Board of Directors of the Corporate Debtor stands suspended and such powers shall be vested with Mr. Rajeev Goel appointed as the Insolvency Resolution Professional (the IRP or interim Resolution Professional). Further the committee of creditors (CoC) of the Corporate Debtor pursuant to the meeting held on July 28 2020 and in terms of Section 22 (2) of the Code resolved with 100% voting share to replace the existing Interim Resolution Professional with Mr. Gautam Mittal as the resolution professional (RP) for the Corporate Debtor. Accordingly the NCLT has in its hearing dated 4th September 2020 through video conferencing pronounced the approval for the appointment of Mr. Gautam Mittal as the RP ("Resolution Professional") of the Corporate Debtor.

Since the company is under Corporate Insolvency Resolution Process (CIRP) as per Section 17 of the Insolvency & Bankruptcy Code from the date of appointment of the Resolution Professional.

(a) the management of the affairs of the company shall vest in the Resolution Professional.

(b) the powers of the Board of Directors of the company shall stand suspended and be exercised by the Resolution Professional.

(c) the officers and managers of the company shall report to the Resolution Professional and provide access to such documents and records of the company as may be required by the Resolution Professional.

(d) the financial institutions maintaining accounts of the company shall act on the instructions of the Resolution Professional in relation to such accounts and furnish all information relating to the company available with them to the Resolution Professional.

RESULTS OF OUR OPERATIONS

Your Company's financial performance for the year under review has been encouraging. Key aspects of Standalone Financial Performance of SCL for the current financial year 2022-2023 along with the previous financial year 2021-22 are tabulated below:

(Amount in Rs. Lakhs)

Particulars	Standalone		Consolidated	
	For the year ended March 31 2023	For the year ended March 31 2022	For the year ended March 31 2023	For the year ended March 31 2022
Total Income	108.39	109.55	109.55	109.55

Profit Before Depreciation Interest and Tax	(11.54)	(11.54)	(14.68)	(14.68)
Less: Depreciation & Amortization expenses	514.87	651.30	649.42	785.85
Less: Finance cost	0.01	0.037	0.01	0.037
Profit before Taxation and Exceptional Items	(501.56)	(662.88)	(640.53)	(800.56)
Less: Extraordinary and Exceptional Item				
Profit before Taxation	(501.56)	(662.88)	(640.53)	(800.56)
Less: Provision for Tax for Current Year	--	--	--	--
Less: Provision for deferred Tax	(79.39)	(127.14)	(79.39)	(127.14)
Profit for the period	(422.17)	(535.74)	(561.14)	(673.42)
Other Comprehensive Income(net)	--	--	--	--
Profit After Tax	(422.17)	(535.74)	(561.14)	(673.42)
Dividend	0%	0%	0%	0%
Transferred to Reserves	(422.17)	(535.74)	(561.14)	(673.42)
Shareholders' Fund	(58334.77)	(57912.60)	(58623.14)	(58062.00)
Earnings Per Share (EPS)	(0.06)	(0.07)	(0.08)	(0.09)
i) Basic	(0.06)	(0.07)	(0.08)	(0.09)
ii) Diluted				

The revenue from operations for the year ended 31st March 2023 stood at Rs. 108.39 Lacs (Rupees One hundred and Eight Lacs Approx.) as compared to Rs. 109.55 Lacs (Rupees One hundred and Nine Lacs Approx.) for the previous year ending 31st March 2022. The loss before tax for the year ended 31st March 2023 stood at Rs. 501.56 Lacs (Rupees Five Hundred and One Lacs Approx.) as compared to loss of Rs. 662.88 Lacs (Rupees Six Hundred and Sixty Two Lacs Approx.) for the year ending 31st March 2022. The Loss after Tax stood at Rs. 422.17 Lacs (Rupees Four Hundred and Twenty Two Lacs Approx.) for the year ending 31st March 2023 as compared to loss of Rs. 535.74 Lacs (Rupees Five Hundred and Thirty Five Lacs Approx.) for the previous year.

INDIAN ACCOUNTING STANDARDS

The Ministry of Corporate Affairs (MCA) vide its notification in the Official Gazette dated February 16 2015 has issued Companies (Indian Accounting Standards) Rules 2015. Accordingly in compliance with the said Rules the Standalone and Consolidated Financial Statements of the company for the Financial Year 2022-2023 have been prepared as per Indian Accounting Standards.

CORPORATE GOVERNANCE

The Company has complied with the corporate governance requirements under the Companies Act 2013 and as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI (LODR)"). A separate section on Corporate Governance under SEBI (LODR) along with a certificate from the auditors confirming the compliance is marked as Annexure and forms part of this Directors Report.

DISCLOSURES OF AMOUNTS IF ANY TRANSFER TO ANY RESERVES

An amount of Rs. (422.17 Lacs) is proposed to transfer to General Reserve from the profits of the year under review.

DIVIDEND

Your company is under Corporate Insolvency Resolution Process and incurring losses. The Board of Directors (suspended during CIRP) does not recommend any dividend during the year under review.

SHARE CAPITAL

The Authorised Capital of the Company is Rs. 780000000 consisting of 760000000 Equity Shares of face value of Rs. 1.00 each and 2000000 Preference Shares of Face value of Rs. 10 each and the Paid up capital was increased to Rs. 736100000 consisting of 736100000 Equity shares of face value of Rs. 1.00 each.

MATERIAL CHANGES AND COMMITMENTS IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED AFTER THE BALANCE SHEET DATE AND AS AT THE DATE OF SIGNING THIS REPORT

There are no material changes and commitments affecting the financial position of the Company occurred after the Balance Sheet Date and as at the date of signing of this report.

PARTICULARS OF LOANS GUARANTEES OR INVESTMENTS

The Company has not given any loans guarantees or investments covered under the provisions of Section 186 of the Companies Act 2013 during the financial year 2022-2023.

DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act 2013 and the Companies (Acceptance of Deposits) Rules 2014.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**Directors**

As on March 31 2023 the Composition of Board of Directors of the Company included total of 5 (Five) directors comprising of 3 (Three) Executive Directors 2 (Two) Non-Executive Independent Director.

Re-appointment

Mr. Satish Agrawal Director of the Company retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment. The detail of the Directors being eligible to be reappointed is set out in the explanatory statement to the notice of the ensuing Annual General Meeting.

Key Managerial Personals

The Key Managerial Personals (KMPs) of the Company in accordance with the provisions of Section 2(51) and Section 203 of the Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force) are as follows:

S.No.	Name of KMP's	Designation
1.	Gulab Chand Agrawal	Chairman & Whole Time Director
2.	Ashok Agrawal	Whole Time Director
3.	Satish Agrawal	Whole Time Director
4.	Surendra Kumar Jain	Independent Director
5.	Shilpi Jain	Independent Director
6.	Anil Kumar Vishwakarma	Chief Financial Officer

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act 2013 and SEBI Listing Regulations.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company's policy on programmes and measures to familiarize Independent Directors about the Company its business updates and development includes various measures viz. issue of appointment letters containing terms duties etc. management information reports presentation and other programmes as may be appropriate from time to time. The Policy and programme aims to provide insights into the Company to enable independent directors to understand the business functionaries business model and others matters. The said Policy and details in this respect is displayed on the Company's website.

PERFORMANCE EVALUATION OF THE BOARD ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Since the powers of the Board of Directors have been suspended with effect from 29th May 2020 pursuant to the orders dated 29th May 2020 passed by Hon'ble National Company Law Tribunal (NCLT) Indore Bench Ahmedabad evaluation of Board has not taken place for the year 2022-23.

MEETINGS

The corporate insolvency resolution process (CIRP) of the Company has been in effect from 29th May 2020 as per the Orders passed by Hon'ble National Company Law Tribunal Indore Bench Ahmadabad. Four co-ordination meetings was called by Resolution Professional (RP) on 31st May 2022, 13th August 2022, 14th November 2022 and 13th February 2023 which was attended by Executive Director and Independent Directors.

COMMITTEES OF THE BOARD

Since the powers of the Board of Directors have been suspended w.e.f. 29th May 2020 pursuant to the orders dated 29th May 2020 passed by Hon'ble National Company Law Tribunal (NCLT) Indore Bench Ahmedabad the powers of the various committees have also been suspended with effect from the same date as per SEBI circular No. SEBI/LADNRO/GN/2018/21 dated 31st May 2018 and hence no meetings have since been conducted.

Prior to the commencement of corporate insolvency resolution process the Board had Four Committees viz Audit Committee Nomination and Remuneration Committee Stakeholders Relationship Committee and Corporate Social Responsibility Committee as mandated under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The details of the role of Audit Committee Nomination and Remuneration Committee and stakeholders Relationship Committee along with their composition number of meetings held during the financial year and attendance at the meetings are provided in the Corporate Governance Report which forms an integral part of this Report.

POLICY ON REMUNERATION OF DIRECTORS KMPs SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy of SCL formulated in accordance with Section 134(3)(e) and Section 178(3) of the Companies Act 2013 read with Regulation 19 of SEBI Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force). The salient aspects covered in the Nomination and Remuneration Policy is outlined below:

- ❖ To identify the persons who are qualified to become director and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- ❖ To formulate the criteria for determining qualifications positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors key managerial personnel and other employees of SCL.
- ❖ To formulate the criteria for evaluation of Independent Director and the Board.
- ❖ To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board and to determining whether to extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of independent directors.
- ❖ To recommend to the Board on Remuneration payable to the Directors Key Managerial Personnel and Senior Management.
- ❖ To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort performance dedication and achievement relating to the Company's operations.
- ❖ To retain motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- ❖ To develop a succession plan for the Board and to regularly review the plan.

- ❖ To assist the Board in fulfilling responsibilities.
- ❖ To implement and monitor policies and processes regarding principles of corporate governance.

PARTICULARS OF REMUNERATION OF DIRECTORS AND KMP'S

A statement containing the details of the Remuneration of Directors and KMP's as required under Section 197(12) of the Companies Act 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is attached as 'Annexure' which forms part of this Annual Report. However the Company has not paid any Managerial Remuneration for the financial year 2022-2023 to any of its Whole-Time Directors and Non-Executive Director.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

SCL has two wholly owned Subsidiary Companies:

- Sanwaria Singapore Private Limited (Singapore);
- Sanwaria Energy Limited

During the year there has been no business activity by Sanwaria Singapore Private Limited (Singapore) foreign subsidiary of the Company. The Board has reviewed the affairs of the subsidiary. In accordance with Section 129(3) of the Companies Act 2013 and in accordance with the Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India Consolidated Financial Statements presented by the Company in this Annual Report include the financial information of its subsidiary.

Further in accordance to the Section 136 of the Companies Act 2013; the Annual Accounts and related documents of the subsidiary company shall be kept open for inspection till the date of AGM during the business hours at the Registered Office of the Company. The Company will also make available copy thereof upon specific request by any Member of the Company interested in obtaining the same.

The statement containing the salient features relating to Subsidiary Company in the prescribed format in AOC-1 is appended as an annexure to this Report.

COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

Your Directors states that Company has complied with all applicable Secretarial Standards issued by Institute of Company Secretaries of India revised and notified on October 01 2017.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return pursuant to the provisions of Section 92 of the Companies Act 2013 read with Rule 12 of the Companies (Management and Administration) Rules 2014 is available on the website of the Company and shall be made available to the members on request.

ORDERS PASSED BY REGULATORS/COURTS/ TRIBUNALS

Except for commencement of CIRP under the Code no material orders were passed by Regulators/ Courts / Tribunals during the period impacting the going concern status and Company's operations in future.

DIRECTOR'S RESPONSIBILITY STATEMENT

As required under Section 134 (5) of the Companies Act 2013 directors (suspended during CIRP) to the best of their knowledge and belief state that:

in the preparation of the annual accounts for the year ended March 31 2023 the applicable accounting standards have been followed along with proper explanation relating to material departures;

- i. they have in the selection of the accounting policies consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2023 and of its profits/ losses for the year ended on that date;
- ii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iii. they have prepared the annual accounts for the year ended 31st March 2023 on a 'going concern' basis; and
- iv. they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- v. they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MAINTENANCE OF COST RECORDS

The Company is required to maintain Cost Records as specified by the Central Government under Section 148 (1) of the Companies Act 2013.

STATUTORY AUDITOR

M/s. Pramod K. Sharma & Co.; Chartered Accountants (Firm Registration No. 007857C 11-12 Sarnath Complex Opp. Board Office Shivaji Nagar Bhopal (M.P.) were appointed as the statutory auditors of the Company to hold office for a period of five consecutive years from the conclusion of the 28th Annual General Meeting held on December 26 2019 of the Company till the conclusion of 33rd Annual General Meeting to be held in the year 2024.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. The Comments on the qualifications in the Auditors' Report on the financial statements of the Company for financial year 2022-23 are as provided in the "Statement on Impact of Audit Qualifications" which is annexed hereafter as Annexure and forms part of this report.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 the Company has appointed Rakhi Dasgupta & Associates, Practicing Company Secretaries having their office at 218, Paschim Daspara, Nischintapur Road, Sonarpur, Kolkata- 700150 to undertake the Secretarial Audit functions of the Company.

The Secretarial Audit Report submitted by Rakhi Dasgupta & Associates in the prescribed form MR- 3 is attached as an 'Annexure' which forms part of this Annual Report.

INTERNAL FINANCIAL CONTROL SYSTEM

The Company has designed and implemented a process driven framework for Internal Financial Controls [IFC] within the meaning of the explanation to Section 134(5) (e) of the Act. The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies the safeguarding of its assets the prevention and detection of frauds and errors the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosure.

In terms of SEBI (Listings Obligations and Disclosure Requirements) (Third Amendments) Regulations 2018 dated 31st May 2018 the Resolution professional Mr. Gautam Mittal appointed pursuant to NCLT vide order dated 29th May 2020 against the Company and all the roles and responsibilities of the Board of Directors/ Committees shall be fulfilled by the Resolution Professional in accordance with Section 17 and Section 23 of IBC and powers of the Board of Directors/ Committee stands suspended

The Company management has been completely handed over to the Resolution Professional by the suspended Board of Directors, on the initiation of the CIRP, as per the requirements under the Code.

The Resolution Professional has a well-placed proper and adequate internal financial control system which ensures that all assets are safeguarded and protected and that the transactions are authorized recorded and reported correctly.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

In addition; the Companies Act 2013 re-emphasizes the need for an effective Internal Financial Control system in the Company. The system should be designed and operated effectively. Rule 8(5)(viii) of Companies (Accounts) Rules 2014 requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board's report.

To ensure effective Internal Financial Controls the Company has laid down the following measures:

- All operations are executed through Standard Operating Procedures in all functional activities for which key manuals have been put in place. The manuals are updated and validated periodically.
- The Company has a comprehensive risk management framework.
- The Company has in place a well-defined Vigil Mechanism (Whistle Blower Policy).
- Compliance of secretarial functions is ensured by way of secretarial audit.
- Compliance relating to cost records of the company is ensured by way of cost audit.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

DISCLOSURE ON VIGIL MECHANISM (WHISTLE BLOWER POLICY)

Pursuant to Regulation 22 of SEBI Listing Regulations your Company has established a mechanism called 'Vigil Mechanism (Whistle Blower Policy)' for directors and employees to report to the appropriate authorities of unethical behavior actual or suspected fraud or violation of the Company's code of conduct or ethics policy and provides safeguards against victimization of employees who avail the mechanism. The policy permits all the directors and employees to report their concerns directly to the Chairman of the Audit Committee of the Company.

RISK MANAGEMENT

The Company has an elaborate Risk Management procedure which is based on three pillars: Business Risk Assessment Operational Controls Assessment and Policy Compliance processes. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. Pursuant to section 134 (3) (n) of the Companies Act 2013 and the Listing Agreement 2015 the Company has a Risk Management Committee to monitor the risks and their mitigating actions and the key risks are also discussed at the Committee. The details of the committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board Report. At present the company has not identified any element of risk which may threaten the existence of the company. Some of the risks identified by the Risk Management Committee relate to competitive intensity and cost volatility.

PERSONNEL

During the year under review no employees whether employed for the whole or part of the year was drawing remuneration exceeding the limits as laid down u/s Section 197(12) of the Companies Act 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014. Hence the details required under Section 197(12) are not required to be given.

CORPORATE GOVERNANCE

Corporate Governance is about maximizing shareholders value legally ethically and sustainably. At SCL the goal of Corporate Governance is to ensure fairness of every stakeholder. We believe sound corporate governance is critical to enhancing and retaining investor trust. We always seek to ensure that our performance is driven by integrity.

The Company has adopted the policies in line with new governance requirements including the

- ❖ Policy on Related Party Transactions
- ❖ Policy on Preservation of Documents of SCL.
- ❖ Policy on Determining Material Subsidiaries
- ❖ Policy for Determination of Materiality.
- ❖ Remuneration Policy
- ❖ Corporate Social Responsibility Policy
- ❖ Whistle Blower Policy (Vigil Mechanism)
- ❖ Code of Fair Disclosure
- ❖ Code of Conduct to Regulate Monitor and Report Trading by Insiders.
- ❖ Code of Business Conduct and Ethics for the Board of Directors Senior Management Personnel and Other Employees.

A separate report on Corporate Governance is provided together with a Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under

Listing Regulations. A Certificate of the CEO/CFO of the Company in terms of Listing Regulations inter alia confirming the correctness of the financial statements and cash flow statements adequacy of the internal control measures and reporting of matters to the Audit Committee is also annexed.

EXTRACT OF ANNUAL RETURN

The extract of annual return in Form MGT-9 as required under Section 92(3) and Rule 12 of the Companies (Management and Administration) Rules 2014 is appended as an Annexure to this Report.

RELATED PARTY TRANSACTIONS

In line with the requirements of the Companies Act 2013 and Listing Regulations your Company has formulated a Policy on Related Party Transactions. The Policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis. No Material Related Party as per the last audited financial statements were entered during the year by the Company. All Related Party Transactions as entered by the Company during the Year is disclosed in Form AOC-2 as annexed along with this Report.

OPERATIONS PERFORMANCE AND FUTURE OUTLOOK OF THE COMPANY

A detailed review of operations and performance and future outlook of the Company is given separately under the head 'Management Discussion & Analysis' pursuant to Regulation 34 read with Part B of Schedule V of SEBI Listing Regulations is annexed and forms part of this Annual Report.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company is committed to provide a protective environment at workplace for all its women employees. To ensure that every woman employee is treated with dignity and respect and as mandated under "The Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Act 2013" the Company has constituted Internal Complaints Committee (ICC) to prevent prohibit and redress the cases of sexual harassment of any women at workplace. The Company has designated an external Independent member as a Chairperson of the Committee. The Company has not received any Complaints on Sexual Harassment during the year.

ENERGY CONSERVATION RESEARCH AND DEVELOPMENT TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to provisions of Section 134 of the Companies Act 2013 read with Rule 8(3) of the Companies (Accounts) Rules 2014 the details of activities in the nature of Energy Conservation Research and Development Technology Absorption and Foreign Exchange Earnings and Outgo is set out hereunder:

1. ENVIRONMENT SAFETY HEALTH AND ENERGY CONSERVATION

Conservation of Energy:

a. Steps taken or impact on conservation of energy : Your Company has not undertaken any manufacturing activity during the year 2022-23 hence the Company are not much energy intensive.

However, Company continues to implement prudent practices for saving electricity and other energy resources in day-today activities.