

**31st Annual Report
2004-2005**

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**SINNAR BIDI
UDYOG LIMITED**

SINNAR BIDI UDYOG LIMITED

31st ANNUAL REPORT 2004-2005

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A REQUEST

The Practice of distributing copies of the Annual Report at the Annual General Meeting has been discontinued in view of the high cost of paper and printing. You are therefore requested to bring your copy of the Annual Report of the Meeting.

SINNAR BIDI UDYOG LIMITED

31st ANNUAL REPORT 2004-2005



BOARD OF DIRECTORS

G. B. HEDE	DIRECTOR
M. D. DESHPANDE	DIRECTOR
H. L. SHINGNE	DIRECTOR
B. S. PAWAR	DIRECTOR



AUDITORS

ANAND S DAGA
Chartered Accountants
NASHIK 422 001



BANKERS

BANK OF BARODA
NASHIK 422 001



REGISTERED OFFICE

2, GURUKRUPA APARTMENTS,
N.C. KELKAR MARG,
DADAR (W), MUMBAI - 400 028



ADMINISTRATIVE OFFICE

"CAMEL HOUSE"
NASHIK-PUNE ROAD,
NASHIK - 422 011.

SINNAR BIDI UDYOG LIMITED

NOTICE OF THE MEETING

NOTICE IS HEREBY GIVEN THAT the 31st Annual General Meeting of the members of the Company will be held at the Registered Office of the Company at 2, Gurukrupa Apartments, N. C. Kelkar Marg, Dadar (West), Mumbai - 400 028 on Friday, the 23rd September, 2005 at 2.00 p.m. to transact the following business :

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March 2005 and the Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
- 2) To appoint a Director in place of Shri M. D. Deshpande, who retires by rotation and being eligible offers himself for re-appointment.
- 3) To appoint Auditors and to fix their remuneration.
- 1) A member entitled to attend and vote at the General Meeting may appoint a proxy to attend and on a poll to vote instead of himself and that a proxy need not be a member.
- 2) The Register of Members and Share Transfer Book of the Company will remain closed from 15th September, 2005 to 23rd September, 2005 (both days inclusive).
- 3) The Company has appointed M/s Intime Spectrum Registry Ltd., C-13, Pannalal Silk Mills Compounds, LBS Marg, Bhandup West, Mumbai 400 078 as its Share Transfer Agents.
- 4) Members are requested to bring their copy of Annual Report and Accounts to the meeting.
- 5) Members are requested to intimate immediately the changes if any, in their registered address.
- 6) The Unclaimed dividend for F.Y. 1997 - 1998 is due for transfer to the Central Governments Investor Education And Protection Fund on 9th November 2005, Pursuant to Section 205 C of the Companies Act, 1956.
The Shareholders whose dividends in F.Y. 1997-98 are unpaid, are requested to lodge their claims on or before 8th November 2005.

By Order of the Board of Directors,

Place: Nashik

Date: 29th June, 2005

M. D. DESHPANDE
Director

(3)

SINNAR BIDI UDYOG LIMITED

Directors' Report

Financial Results

Gentlemen,

Your Directors have pleasure in presenting their Thirty First Annual Report alongwith the audited statement of accounts for the year ended 31st March, 2005.

	2004 - 2005 (Rs. Lacs)	2003 - 2004 (Rs. Lacs)
Profit / (Loss) Before Tax	(91.17)	41.11
Less : Provision for Current Tax	15.50	11.50
Provision for Deferred Tax	(9.15)	4.75
Prior Year Tax Adjustment	0.31	(2.89)
Profit after Tax	(97.83)	27.75
Add : Balance from Previous year	63.13	48.27
Profit available for Appropriation	(34.70)	76.02
Appropriations:		
Proposed Dividend	-	3.00
Provision for tax on proposed Dividend	-	0.39
General Reserve No. 1	-	4.50
General Reserve No. 2	-	5.00
Balance Carried to Balance Sheet	(34.70)	63.13
	(34.70)	76.02

Business Operations

The aggregate sales turnover for the year amounted to Rs.1236 lacs against Rs.1316 lacs for the earlier year.

A Provision of Rs. 135.82 Lacs for demand raised against the Company for non deposit of escrow reserve fund in USA for Tobacco Products, i.e Bidis was made during the year and resulted in loss.

Dividend

The Directors regret their inability to recommend dividend in view of loss incurred during the year.

Energy, Technology And Foreign Exchange

The information required to be furnished under the Companies (Disclosure of Particulars in the Report of the Board of the Directors) Rules, 1988.

The activities of the Company are carried on with the aid of human labour. The manufacturing process does not require power (electrical energy) and offers no scope for absorption of technology.

SINNAR BIDI UDYOG LIMITED

Personnel

The employer employee relations continued to be cordial during the year and we wish to place on record our appreciation for the services rendered by employees and staff at all the levels. None of the employees received emoluments exceeding the limits set out under section 217 (2A) of the Companies Act, 1956.

Directors

Shri M. D. Deshpande, Director, retires by rotation and being eligible, offers himself for reappointment.

Directors' Responsibility Statement

As stipulated in Section 217 (2AA) of The Companies Act, 1956, your directors subscribe to the 'Directors Responsibility Statement' and confirm that

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- ii) 'appropriate accounting policies have been selected and applied consistently and judgments and estimates made 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, 2005 and the profit of the company for the year ended 31st March 2005;

iii) Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ; and

iv) the annual accounts have been prepared on a going concern basis.

Compliance Certificate From Practicing Company Secretary:

Certificate obtained from M/s.J.H.Ranade & Associates, Company Secretaries, Thane under section 383A of the Companies Act, 1956. is attached to the Director Report.

Auditors

Mr. Anand S Daga, Chartered Accountant, Nashik retires at the forthcoming Annual General Meeting and has furnished a certificate of his eligibility for appointment under Section 224 (1) of the Companies Act, 1956. The Board recommends appointment of Mr. Anand S. Daga, as auditor of the Company.

Acknowledgments

Your Directors take opportunity to place on record their appreciation of the devoted services of the employees at all levels throughout the year. Your Directors also wish to place on record their appreciation of the assistance and continued co-operation extended by Bankers, Government Authorities and Financial Institutions.

For and on Behalf of
The Board of Directors,

Place : Nashik
Date : 29th June, 2005

M. D. Deshpande
Director

J. H. RANADE & ASSOCIATES

Company Secretaries

24A/25A, Dhanalaxmi Chambers, Off Gokhale Road, Near Railway Station, Thane (W) - 400 602.

Tele/Fax: 2544 24 34 Email ID: jhr_asso@rediffmail.com

COMPLIANCE CERTIFICATE

(In terms of Section 383A (1) of the Companies Act, 1956)

Registration No. of the Company 11 -17734

Nominal Capital: Rs. 20.00 Lacs

The Members,
Sinnar Bidi Udyog Limited
 2, Gurukrupa Apartments,
 N.C.Kelkar Marg, Dadar(w)
 Mumbai - 28.

We have examined the registers, records, books and papers of M/s. Sinnar Bidi Udyog Limited (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended 31st March, 2005, (Financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all Registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the Rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Maharashtra, Mumbai within the time prescribed under the Act and the rules made thereunder.

3. The Company being a Public Limited Company, comments are not required.
4. The Board of Directors duly met 27 (Twenty Seven) times respectively on 10/04/2004, 19/05/2004, 05/06/2004, 26/06/2004, 28/06/2004, 12/07/2004, 28/07/2004, 07/08/2004, 14/08/2004, 19/08/2004, 07/09/2004, 17/09/2004, 23/09/2004, 28/09/2004, 19/10/2004, 28/10/2004, 06/11/2004, 25/11/2004, 04/12/2004, 11/12/2004, 01/01/2005, 27/01/2005, 07/02/2005, 16/02/2005, 19/03/2005, 21/03/2005 & 25/03/2005 in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 16/09/2004 to 23/09/2004 (both days inclusive) and necessary compliance of Section 154 of the Act.
6. The Annual General Meeting for the Financial Year ended on 31st March, 2004 was held on 23/09/2004 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the Financial Year.
8. The Company has not advanced any

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loan to its Directors and/or to persons or firms or Companies referred in the Section 295 of the Act.

9. The Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that Section.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or the Central Government.
12. The Company has issued duplicate share certificates during the financial year in compliance with provisions of the Act.
13. The Company has :
 - i) delivered all the certificates on lodgment of securities for transfer in accordance with the provisions of the Act.
 - ii) deposited the amount of dividend declared in a separate bank account on 25th September, 2004 which is within 5 (five) days from the date of declaration of such dividend.
 - iii) paid/ posted warrants for Dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/ unpaid dividend has been transferred to Unpaid Dividend Account of the Company with Bank of Baroda, Nashik City Branch, Nashik on 5th October, 2004.
 - iv) transferred the amounts in unpaid dividend account, which have remained

unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.

v) duly complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted and the appointment of Additional Director has been duly made.
15. The Company has not appointed any Managing Director/ Whole-Time Director/ Manager during the financial year.
16. The Company has not appointed any Sole-Selling Agents during the Financial Year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other Firms/Companies to the Board of Directors pursuant to the provisions of the Act and the Rules made thereunder.
19. The Company has not issued any Shares, Debentures or other Securities during the Financial Year.
20. The Company has not bought-back any shares during the Financial Year.
21. There was no redemption of Preference Shares or Debentures during the Financial Year.
22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, right shares and bonus shares pending

registration of transfer of shares.

23. The Company has Complied with the provisions of Section 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 in respect of deposits accepted including unsecured loans taken, amounting to Rs. 43,27,000/- raised by the company during the year and the Company has filed the copy of Statement in lieu of Advertisement with the Registrar of Companies, Maharashtra, Mumbai on 23/08/2004 and 8/10/2004 The Company has also filed Return of Deposit with the Registrar of Companies.
24. The amounts borrowed by the Company from Directors, Members, Public, Financial Institutions, Banks and others during the Financial Year ended 31st March, 2005 are within borrowing limits of the Company as per Section 293(1)(d) of the Act.
25. The Company has not made any loans or investments or given guarantees or provided Securities to other bodies corporate in compliance with the provisions of the Act and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provision of the Memorandum with respect to situation of the Company's registered office from one state to another during the financial year.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the Financial Year.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the Financial Year.
29. The Company has not altered the provisions of the Memorandum with respect to Share capital of the Company during the Financial Year.
30. The Company has not altered it's Articles of Association during the Financial Year.
31. There were no prosecutions initiated against or show cause notice received by the Company and no fines or penalties or any other penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from it's employees during) the Financial Year.
33. The Company has been regular in depositing both employees' and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

For J. H. Ranade & Associates
Company Secretaries

Place: Thane
Date : 20th June 2005

J. H. Ranade
Proprietor
(C.P. No. 2520)

SECRETARIAL COMPLIANCE CERTIFICATE
In terms of Section 383A (1) of the Companies Act. 1956

ANNEXURE A

Registers as maintained by the Company:

1. Registered of Charges / Copies of instruments creating charges u/s. 143 and 136.
2. Register of Members and Index of Members u/s. 150 and 151.
3. Register of Transfers u/s. 154.
4. Register and Returns u/s. 163.
5. Books of Accounts u/s. 209.
6. Register of particulars of Contracts in which Directors are interested u/s. 301.
7. Register of Directors, Managing Director, Manager, Secretary u/s. 303.
8. Register of Directors shareholdings u/s. 307.
9. Register of Directors Attendance.
10. Minutes books of Board and General Meetings.
11. Register of Investments under section 372A
12. Register of Renewed and Duplicate Share Certificates as per Rule 7 of the Companies (Issue of Share Certificates) Rules, 1960.
13. Register of Fixed Deposits as per Rule 7 of the Companies (Acceptance of Deposits) Rules 1975.

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