

SINNAR BIDI UDYOG LTD.

39TH
ANNUAL REPORT
F . Y . 2012-2013

SINNAR BIDI UDYOG LIMITED
MUMBAI

39th Annual Report
2012-13

BOARD OF DIRECTORS

C.B.Patil	Executive Director
N.L.Patil	Director
M.D.Deshpande	Director
B.S.Pawar	Director
D.P. Devhad	Director
S.P Patil	Director

AUDITORS

ANAND S DAGA
Chartered Accountants
Nashik 422 005

BANKERS

BANK OF MAHARASHTRA.
Nashik 422 405.

REGISTERED OFFICE

Parekh Mahal, 2nd Floor, Room No.62,
Plot No. 8-9, Jamshedji Road, Sakharam Keer Marg,
Mahim, MUMBAI - 400 016

ADMINISTRATIVE OFFICE

"CAMEL HOUSE"
Nashik-Pune ROAD,
Nashik-422 011.

SINNAR BIDI UDYOG LIMITED.
NOTICE OF THE MEETING

NOTICE IS HEREBY GIVEN THAT the 39th Annual General Meeting of the members of the Company will be held at 2, Gurukrupa Apartment, N.C.Kelkar Marg, Dadar(w), Mumbai-400028 on Friday, 27th September, 2013 at 1.30 p.m. to transact the following business :

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 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.D.P.Devhad, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri.M.D.Deshpande, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company and in this connection to consider, and if thought fit, to pass the following resolution as an Ordinary Resolution :

" **RESOLVED THAT** pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, Mr. S.D.Bedmutha, Chartered Accountant, having Registration No.33679 be and is hereby appointed as Statutory Auditors of the Company in place of Mr. Anand S. Daga, Chartered Accountant, Nashik, the retiring auditor, to hold office from conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting at a remuneration to be determined by the Board of Directors."

SPECIAL BUSINESS :

To consider and if thought fit, to pass with or without modification the following resolution as ordinary resolution :

" **RESOLVE THAT** Shri. Satish Prabhakar Patil be and is hereby appointed as Director of the Company, liable to retire by rotation."

By Order of the Board of Directors,

Place : Nashik

S/d

S/d

Date: 3rd June 2013

M.D.Deshpande

C.B. Patil

Director

Executive Director

NOTES:

- 1) A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and on a poll to vote instead of himself and a proxy need not be a member.
 - 2) The Register of Members and Share Transfer Book of the Company will remain closed from 20th September, 2013 to 27th September, 2013 (both days inclusive).
 - 3) The Company has appointed M/s Link Intime India Private Limited (earlier known as: 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.
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SINNAR BIDI UDYOG LIMITED.

EXPLANATORY STATEMENT

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 5: Shri. S.P.Patil was appointed as an additional director w.e.f. 1st April, 2013. Pursuant to section 260 of the Companies Act, 1956 he holds office till the ensuing Annual General Meeting. The Company has received a notice from shareholder in terms of section 257 of the Act alongwith requisite deposit of Rs.500/- for proposing the candidature of Shri. S.P.Patil as a Director. Therefore this ordinary resolution for the appointment of Director is placed before the members for their approval.
None of the Directors except Shri. S.P.Patil is interested in this resolution.

By order of the Board of Directors

Place: Nasik

Date: June 3, 2013

S/d

M.D.Deshpande

Director

S/d

C.B.Patil

Executive Director

SINNAR BIDI UDYOG LIMITED.
Directors' Report

Gentlemen,

Your Directors have pleasure in presenting their Thirty-Ninth Annual Report alongwith the audited statement of accounts for the year ended 31st March, 2013.

Financial Results

	2012-13	2011-12
	(Rs. Lacs)	(Rs. Lacs)
Profit/(Loss) Before Tax	51.40	185.39
Less : Provision for Current Tax	17.00	55.25
Provision for Deferred Tax	1.59	0.19
Prior Period Adjustment Taxation	3.35	Nil
Profit/(Loss) after Tax	29.46	129.95
Add : Balance from Previous year	141.59	11.64
Balance Carried to Balance Sheet	171.05	141.59

Business Operations

During the financial year ended 31st March, 2013 the sales turnover from Tendu Leaves trading was Rs.333.91 lacs. Last year the Company had planned to enter into the segment of tobacco and Company has implemented the same. The major activity of the Company was trading tendu leaves, Tobacco and processing of Tobacco during the year 2012-13. Now the Company is planning to continue the same.

Dividend

The Directors do not recommend any dividend, with a view to retain the profits for further growth of the Company.

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.

Public Fixed Deposits :

The total amount of Public Fixed Deposits, accepted without invitation, stood at Rs. 82,01,000/- as at 31st March, 2013.

Personnel

The employer employee relations continued to be cordial during the year. None of the employees received emoluments exceeding the limits set out under section 217 (2A) of the Companies Act, 1956.

Directors

Shri. D.P. Devhad and Shri.M D Deshpande , Directors, retire by rotation and being eligible , offer themselves for reappointment.

During the year , Mr. S.P. Baheti, Director has tendered his resignation. The Board places on record its appreciation for services rendered by him during his tenure.

Mr. S.P.Patil was appointed as an additional director on 1st April 2013. He holds office till the ensuing Annual General Meeting. It is proposed to appoint him as a director of the Company , pursuant to the a notice received from shareholder in terms of section 257 of the Act.

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, 2013 and the profit of the company for the year ended 31st March, 2013;
- 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 Directors' Report.

Report on Corporate Governance:

The report on Corporate Governance and the Compliance Certificate provided by M/s J. H. Ranade & Associates, Company Secretaries is attached to the Directors' Report.

In terms of the listing agreement, the board has laid down a code of conduct for all board members. All the board members and senior management personnel have affirmed compliance with the code.

Auditors

Mr. Anand S Daga, Chartered Accountant, Nashik, the Statutory Auditor of the Company retiring at the conclusion of this Annual General Meeting has expressed his unwillingness to be re-appointed as the Statutory Auditor of the Company. In view of the same, it is proposed to appoint Mr. S.D. Bedmutha, Chartered Accountant as the Statutory Auditor of the Company. The Company has received confirmation from Mr. S.D. Bedmutha, Chartered Accountant, to the effect that his appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956.

Acknowledgments

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

For and on Behalf of
The Board of Directors,

Place : Nashik
Date : 3rd June, 2013

S/d
M.D.Deshpande
Director

S/d
C.B.Patil
Executive Director

INDEPENDENT AUDITOR'S REPORT

To ,

The Members of Sinnar Bidi Udyog Limited

Report on the Financial Statements .

I have audited the accompanying financial statements of SINNAR BIDI UDYOG LIMITED ('the Company') which comprise of the balance sheet as at 31 March 2013, the statement of profit and loss and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements .

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I have conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the financial statements subject to the notes thereon give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

(i) In the case of the balance sheet, of the state of affairs of the Company as at 31 March 2013;

(ii) In the case of the statement of profit and loss, of the loss for the year ended on that date; and

(iii) In the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, I report that :

- a. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit ;
- b. In my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books and proper returns adequate for the purpose of my audit have been received from branches not visited by me.
- c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In my opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement subject to notes thereon comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 except for Accounting Standard -15 (Revised) as referred to in Note No. 28(2).
- e. On the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

S/d

Anand S. Daga

Proprietor.

Membership No. 048684

Place :Nashik.

Date: 30th May,2013.

ANNEXURE

Annexure referred to in paragraph 1 of my report of even date

Re: Sinnar Bidi Udyog Limited ('the Company')

- I) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) No any fixed assets have been disposed off during the year, hence it has not affected the going concern status.
- II) (a) Physical verification of inventory has been conducted at reasonable intervals by the management.
- (b) In my opinion and according to the information and explanations given to me, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.
- III) The company has not granted/ not taken any secured or unsecured loans to/from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- IV) In my opinion and according to the information and explanations given to me, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed asset and for the sale of goods and services. Further, on the basis of my examination and according to information and explanations given to me, I have neither come across nor have I been informed of any instance of major weaknesses in the aforesaid internal control procedures.
- V) According to information and explanation given to me, there were no any transactions, contract or arrangements referred to section 301 of the Act, which were required to be entered in the register maintained under that section.
- VI) In my opinion and according to the information and explanations given to me, the company has complied with the directives issued by the Reserve Bank of India and the provisions of Section of 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, with regard to the deposits accepted from the public. No order has been passed on the company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
- VII) The company has an internal audit system, which, in my opinion, is commensurate with the size and nature of its business.
- VIII) The company has maintained cost records as prescribed by the Central Government under clause (d) of subsection (1) of section 209 of the Act. I have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- IX) (a) The company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, ESIC, Income Tax, Sales Tax / VAT, Service Tax, Cess and other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of financial year for a period of more than six months from the date those became payable except for TDS Rs 63,476/- .