

41st
ANNUAL
REPORT
2014-2015

SINNAR
BIDI UDYOG LIMITED

41st ANNUAL REPORT CONTENTS

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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 to the Meeting.

MUMBAI

41st ANNUAL REPORT 2014-15

BOARD OF DIRECTORS

- Mr. C. B. Patil Chairman
- Mr. M. D. Deshpande Whole Time Director & CFO
- Mr. B. S. Pawar Director
- Ms. Bharti Sancheti Additional Director
- Mr. S. B. Shah Independent Director
- Mr. D. M. Shah Independent Director

AUDITORS

- **S. D. BEDMUTHA**
Chartered Accountants
Nashik - 422 002.

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.

Registered Office: Parekh Mahal, 2nd Floor, Room No. 62, Plot no. 8-9, Lady Jamshedji Road,
Sakharam KeerMarg, Mahim, MUMBAI - 400 016
Adm. Office :Camel House,Nasik-Pune Road, Nasik-422011
CIN-L16002MH1974PLC017734
Ph.no. (0253) 2594231 (3 Lines) Fax : 2595698, website: sinnarbidi.com,
Email- investor@sinnarbidi.com

NOTICE OF THE MEETING

NOTICE IS HEREBY GIVEN THAT the 41st Annual General Meeting of the members of Sinnar Bidi Udyog Limited will be held at 2, Gurukrupa Apartment, N. C. Kelkar Marg, Dadar (W), Mumbai - 400028 on Tuesday 15th September, 2015 at 2.00 p.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March 2015 and the reports of Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri.C.B.Patil (DIN:00837024), who retires by rotation and being eligible offers himself for re-appointment.
3. To re-appoint Mr.S.D.Bedmutha, Chartered Accountant, Nashik as the Statutory Auditor of the Company for a period of three years from the conclusion of 41st Annual General Meeting till the conclusion of 44th Annual General Meeting subject to ratification by the members every year, and to authorize the Board to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit, to pass the following resolution as an ordinary resolution:
" RESOLVED THAT Ms. Bharati Subhash Sancheti (DIN:06983828) be and is hereby appointed as Director of the Company, liable to retire by rotation."
5. To consider and if thought fit, to pass the following resolution as a special resolution:
"**RESOLVED THAT** pursuant to Sections 203, 196, 197 and Schedule V of Companies Act, 2013, any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of Mr. Madhav Deshpande (DIN:00238917) as Whole Time Director of the Company for a period of three years w.e.f. 1st April, 2015 to 31st March 2018 be and is hereby approved.

RESOLVED FURTHER THAT the Whole Time Director will be paid remuneration as follows:

1. Monthly salary: Basic salary of Rs.1,00,836/-
2. Transport Allowance per month: Rs.1600/-
3. Provident fund and Gratuity as per the policy of the Company.
4. Bonus as per the policy of the Company.

The whole time director, as an employee of the Company, shall be entitled to all the benefits that the company offers to its employees.

The whole time director shall not be paid any sitting fees for attending the Board meetings or committee meetings of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of section 197(3), as the Company has inadequate profits to pay the remuneration of the Whole Time director, his remuneration is in accordance with Section-II of Part-II of Schedule V.

RESOLVED FURTHER THAT the remuneration payable to the Whole Time Director shall be subject to revision by the Board of Directors from time to time during his tenure; provided that the amount does not exceed the limits as prescribed in the Schedule V of the Companies Act, 2013.

SINNAR BIDI UDYOG LIMITED.

RESOLVED FURTHER THAT the Board of Directors or any committee thereof be and is hereby authorized to do all such acts and things as it may think necessary or as may be required in this regard.”

**On behalf of Board of Directors,
For Sinnar Bidi Udyog Limited**

sd/-

C.B.Patil

Chairman

(DIN: 00837024)

Place: Nashik

Date: July 15, 2015

Notes:

1. A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on a poll 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 8th September 2015 to 15th September, 2015 (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.
6. Explanatory Statement pursuant to section 102 of the Companies Act, 2013 relating to special business to be transacted at the annual general meeting in respect of Item Nos. 4 and 5 in the notice is attached with the Notice.
7. The instructions for remote e-voting are annexed to the Annual Report.
8. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
9. The company shall provide facility for voting through polling paper which shall be available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting.
10. Electronic copy of the Notice of the 41st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 41st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
11. The members receiving the notice in electronic mode are requested to print the Attendance slip and submit a duly filled in Attendance Slip at the venue of the AGM.
12. Members who have not registered their email address with the Company can now register the same with the company or the RTA ie. Link In Time India Private Limited.
13. The register of Directors and Key Managerial Personnel and their shareholdings maintained under section 170 of the Companies Act, 2013, the register of contracts or arrangements in which directors are interested under section 189 of the Companies Act, 2013 will be available for inspection at the Annual General Meeting.

EXPLANATORY STATEMENT

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

Item No. 4: Ms. Bharati Sancheti was appointed as an additional director w.e.f. 26th September, 2014. Pursuant to section 161 of the Companies Act, 2013 she holds office till the ensuing Annual General Meeting. The Company has received a notice from her, signifying her candidature for the office of Director, in terms of section 160 of the Act along with requisite deposit of Rs.1,00,000/-. Therefore this ordinary resolution for the appointment of Director is placed before the members for their approval.

None of the Directors, Key Managerial personnel or their relatives, except Ms. Bharati Sancheti is interested in this resolution.

Item No.5: Mr. Madhav Deshpande was appointed as Whole Time Director of the Company in its Board Meeting held on 31st March 2015 for a period of three years w.e.f. 1st April, 2015 to 31st March 2018.

The profits of the company are inadequate to pay the remuneration of the whole time director, hence the remuneration payable to the Whole Time Director is governed by section II of part II of schedule V of Companies Act, 2013. As per these provisions, the whole time director is to be appointed for a period of three years, and the approval of members by special resolution for such appointment is required to be sought in general meeting. Hence the matter for the approval of appointment and remuneration of the Whole Time Director is placed before the members as special resolution.

The remuneration payable to him is as per the recommendation of the Nomination and Remuneration Committee and the Nomination and Remuneration Policy.

The information required under section II of part II of schedule V is as follows:

I. General Information:

1. Nature of Industry: Tobacco Processing.
2. Date of Commencement of Commercial Production: 19th May 1982.
3. Financial Performance: As per Directors' Report.
4. Foreign investments or collaborations: NIL

II. Information about the Appointee:

1. Background Details: He is Post Graduate in Commerce and has completed LLB.
2. Past Remuneration: Rs.88,019/- per month.
3. Recognition or awards: N.A.
4. Job Profile and his suitability: He has 20 years working experience in Finance, Accounts and Company Law.
5. Remuneration proposed:
Monthly salary: Basic salary of Rs.1,00,836/-
Transport Allowance per month: Rs.1600/-
Provident fund, Gratuity and Bonus as per the policy of the Company.
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: As the nature of business and size of company is not directly

comparable to other companies in the Industry, data on the said terms is not available.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the Managerial Personnel if any: He has no pecuniary relationship with the Company or other managerial personnel.

III. Other Information:

1. Reasons of loss or inadequate profits: The Company operates in the tobacco industry, which is facing difficult period due to various government regulations. The turnover of the company has declined in the financial year, making it difficult for the company to maintain its position.
2. Steps taken or proposed to be taken for improvement: The Company is taking measures to improve the performance by boosting up its turnover and tapping other activities under expert guidance of the directors.
3. Expected increase in productivity and profits in measurable terms : N.A.

None of the directors, key managerial personnel and their relatives except Mr. Madhav Deshpande is interested in this resolution.

Directors' Report .

(Pursuant to section 134 (3) of Companies Act, 2013)

Ladies and Gentlemen,

Your Directors have pleasure in presenting their forty first report along with the audited accounts for the year ended 31st March 2015.

Financial Results	2014-15 (Rs. Lacs)	2013-14 (Rs. Lacs)
Profit/ (Loss) Before tax	11.48	40.29
Less: Provision for current tax	7.70	19.00
Provision for Deferred tax	0.42	(5.19)
Prior Period Adjustment Taxation	(1.81)	(2.58)
Profit/ (Loss) After tax	5.17	29.07
Add: Balance from previous year	200.11	171.04
Less: Depreciation for earlier year	1.89	--
Less: Deffered Tax on earlier year depreciation	(0.58)	--
Balance Carried to Balance Sheet	203.97	200.11

Business Operations:

The major activity carried on by the Company during the year ended 31st March, 2015 was trading of Tobacco and processing of Tobacco. The sales turnover from Tobacco trading and processing was Rs.795.55 lacs during the financial year ended 31st March 2015, as against Rs.690.81 lacs in the previous financial year. There was no trading of Tendu leaves during the reporting period, as against the turnover of Rs.482.23 lacs from that activity during the previous year. In the forthcoming period, the company plans to continue the activities of processing and trading of Tobacco.

Meetings of Directors:

During the financial year 2014-15, the Board of Directors of the Company met ten times. The details of the Board meetings and the committee meetings held during the year are contained in the corporate governance report annexed. The maximum interval between any two meetings did not exceed 120 days.

Board of Directors:

The Company has an optimum composition of Directors in accordance with section 149 of the Companies Act, 2013 and the listing agreement which comprises of following:

One Non Exccutive Chairman

Two Independent Directors

One Whole Time Director and CFO

One Non-Executive Woman Director and

One Non-Executive Director

During the year, Ms. Bharati Sancheti was appointed as an Additional Director at the Board Meeting held on 26th September 2014. She holds office upto the ensuing annual general meeting as per the provisions of section 161(1) of the Act. It is proposed to appoint her as Director liable to retire by rotation subject to the approval of Shareholders at the Annual General Meeting.

During the year, Mr. C.B.Patil, Whole Time Director (WTD) of the company resigned as WTD with effect from 4th March, 2015; however, continues to be Non Executive Director and Chairman of the Board.

During the year, resignation of three directors; Mr. L.M. Karwa, Mr. N.L.Patil and Mr. S.P.Patil was recorded on 4th March, 2015. The Board places on record its sincere appreciation for the services and support rendered by the directors during their tenure.

Mr.M.D.Deshpande was appointed as the Whole Time Director and the CFO of the Company during the FY 2014-15, on 31st March 2015. His salary for the period of three years with effect from 1st April 2015 has been approved by the Board. A resolution for approval of the salary of the WTD will be placed before the members at the ensuing AGM.

Directors retiring by rotation and re-appointment:

In terms of provisions of section 152(6)(a) of the Companies Act, 2013, Mr. C.B.Patil, director retires by rotation and being eligible offers himself for reappointment.

Independent Directors:

The company has appointed Mr. Dhanpal Shah and Mr. Shirish Shah as Independent Directors in the Extra Ordinary General Meeting held on 30th March, 2015. The directors have given a declaration under section 149(7) of the Companies Act, 2013 that they meet the criteria of independence. The letter of Appointment of the Independent Directors is available on the website of the Company.

Familiarisation programme for Independent Directors:

The company is in the process of making and implementing the familiarisation program for the independent directors. The company while formalising the program will make sure that the independent directors get familiarised with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company.

Code of conduct for Board Members and Senior Managerial Personnel:

The company has framed a code of conduct for all the Board members and senior management of the company. All the Board members and senior managerial personnel affirm the compliance with the code on annual basis.

Reappointment of Statutory Auditors:

Mr. S.D.Bedmutha, Chartered Accountant, Nashik was appointed as the Auditor for a period till the conclusion of the next Annual General Meeting, at the 40th Annual General Meeting held on 11th September, 2014. The auditor has held the office as Statutory Auditor for a period of 2 years till the FY 2014-15. In accordance with the provisions of section 139(2) read with rule 6 of the Companies (Audit and Auditors) Rules, 2014, the auditor is to be appointed for a period of 5 years, subject to ratification by members every year. As the Auditor has already completed the tenure of 2 years, he is eligible for a term of 3 years; i.e from the conclusion of 41st Annual General Meeting till the conclusion of 44th Annual General Meeting, subject to ratification by the members at every annual general meeting. The company has received written consent from the auditor to the proposed appointment and certificate to the effect that he satisfies the criteria provided in section 141 of the Act.

Dividend:

With a view to retain the profits for further growth, the directors do not recommend any dividend.

Amount carried to the reserves:

The Directors proposed to retain the entire amount of profit after tax in the Profit and Loss Account of the Company.

Corporate Social Responsibility:

The provisions of section 135 of the Companies Act, 2013 regarding the Corporate Social Responsibility are not applicable to the company. However, the Board of Directors recognize the Company's Social obligations and may incur the expenses on CSR activities voluntarily,