

SINNAR BIDI UDYOG LIMITED

**42nd
ANNUAL
REPORT
2015-2016**

42nd ANNUAL REPORT CONTENTS

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**42nd ANNUAL REPORT
2015-16**

BOARD OF DIRECTORS

- | | |
|-------------------|----------------------|
| ● M. D. Deshpande | WTD & CFO |
| ● B. S. Pawar | Director |
| ● L. M. Karwa | Director |
| ● Bharti Sancheti | Director |
| ● Dhanpal Shah | Independent Director |

AUDITORS

- **S. D. BEDMUTHA**
Chartered Accountants
Nashik - 422 005.

BANKERS

- **STATE BANK OF INDIA**
Nashik

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 42nd 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 Wednesday 14th September, 2016 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 2016 and the reports of Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri.B.S.Pawar (DIN:00155195), who retires by rotation and being eligible offers himself for re-appointment.
3. To ratify the appointment of Auditors from the conclusion of this annual general meeting till the conclusion of next annual general meeting.

SPECIAL BUSINESS :

4. To consider and if thought fit, to pass the following resolution as an ordinary resolution:

RESOLVED THAT Laxminarayan Mohanlal Karwa (DIN:00333020) 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 149, 150, 152 and 161 and any other applicable provisions of Companies Act, 2013 and the rules made there under read with schedule IV of Companies Act, 2013, Mr. Rajendra Nemichand Tatiya, (DIN: 01126570) in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company for a term of five years from 14th September 2016 up to 14th September 2021 and whose office shall not be liable to retire by rotation."

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

Place: Nashik
Date: 13th August 2016

M.D.DESHPANDE
WTD & CFO
(DIN:00238917)

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 7th September 2016 to 14th September, 2016 (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. Complete set of unabridged Financial Statements is available on the website of the Company. In accordance with Section 136 of the Companies Act, 2013 including Rule 10 of the Company (Accounts) Rules, 2014 the hard copies of Abridged Annual Report 2015-16 is being sent to all members. Any member interested in obtaining a copy of the full Annual Report, may write to the Company or the Registrar and Transfer Agent of the Company. The complete set of consolidated and stand alone financial statements is available for inspection at the registered office of the Company during working hours.
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 42ND 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 42ND 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 i.e. 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: Mr. Laxminarayan Mohanlal Karwa was appointed as an additional director w.e.f. 30th June, 2016. Pursuant to section 161 of the Companies Act, 2013 he holds office till the ensuing Annual General Meeting. The Company has received a notice from him, signifying his candidature for the office of Director, in terms of section 160 of the Act alongwith 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 Mr. Laxminarayan Mohanlal Karwa is interested in this resolution.

Item No. 5: Mr. Rajendra Nemichand Tatiya has a rich experience of Business Administration. He has been associated with the corporate sector since last 30 years. He is, in the opinion of the Board of Directors, a person of integrity and also possesses relevant expertise and experience to be an Independent Director of the Company.

Mr. Rajendra Nemichand Tatiya has been working in the Administration and legal field since past 30 years. He has special expertise in corporate Administration and legal matters.

Mr. Rajendra Nemichand Tatiya holds Directorship in other Company and does not hold any shares in Sinnar Bidi Udyog Limited.

The matter relating to the appointment of Mr. Rajendra Nemichand Tatiya as Independent Director was placed before the board, which recommends his appointment as an Independent Director for a term up to 14th September 2021. An independent director is not liable to retire by rotation.

In the opinion of the Board, Mr. Rajendra Nemichand Tatiya fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

Copy of the Consent letter received from Mr. Rajendra Nemichand Tatiya will be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

Copy of the draft letter for appointment of Mr. Rajendra Nemichand Tatiya as an Independent Director will be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

A notice along with requisite deposit has been received from a member proposing Mr. Rajendra Nemichand Tatiya as a candidate for the office of Director of the Company.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail guidance of Mr. Rajendra Nemichand Tatiya as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Rajendra Nemichand Tatiya as an Independent Director, for the approval by the Members of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives are interested in this resolution.

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

M.D.Deshpande.
WTD & CFO

Date: 13th August 2016

Directors' Report .

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

Ladies and Gentlemen,

Your Directors have pleasure in presenting their 42nd report along with the audited accounts for the year ended 31st March 2016.

Financial Results (Rs. In Lacs)	2015-16 (Rs. In Lacs)	2014-15
Profit/ (Loss) Before tax	41.19	11.48
Less: Provision for current tax	12.60	7.70
Provision for Deferred tax	0.02	0.42
Prior Period Adjustment Taxation	–	(1.81)
Provision for dimunition in the value of Investment	7.25	--
Profit/ (Loss) After tax	21.32	5.17
Add: Balance from previous year	203.97	198.80
Balance Carried to Balance Sheet	225.29	203.97

Business Operations:

The Company carried on the activity of trading of Tobacco and processing of Tobacco during the year ended 31st March, 2016. The sales turnover from Tobacco trading and processing was Rs.1005.20 lacs during the financial year ended 31st March 2016, as against Rs.831.48 lacs in the previous financial 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 2015-16, the Board of Directors of the Company met **Nine** times. 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

Mr. Laxminarayan Mohanlal Karwa was appointed as an Additional Director at the Board Meeting held on 30th June 2016. He holds office upto the ensuing annual general meeting as per the provisions of section 161(1) of the Act. It is proposed to appoint him

as Director liable to retire by rotation subject to the approval of Shareholders at the Annual General Meeting.

Mr. Shirish Bansilal Shah resigned as Independent Director of the Company due to his personal commitments w.e.f. 30th June 2016.

Board recorded sad demise of Mr. Chandrasingh Bhagwan Patil on 11.06.2016. The Board places on record its sincere and deep appreciation for the valuable services rendered by Late Chandrasingh Bhagwan Patil during his tenure as a Director of the Company.

It is proposed to appoint Mr. Rajendra Nemichand Tatiya as an Independent Director at the Annual General Meeting, for a term up to 14th September 2021.

Directors retiring by rotation and re-appointment:

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

Familiarisation programme for Independent Directors:

The company is in the process of making and implementing the familiarisation programme for the independent directors. The company while formalising the programme 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 of three 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. The matter for ratification of appointment of auditors is placed before the members.

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, whenever they deem fit.

Extract of Annual Return:

The Extract of Annual Return as prescribed under section 92(3) of Companies Act, 2013 is annexed to the Boards Report in Form MGT-9 as Annexure - 1.

Audit Committee:

The Audit Committee has been reconstituted on 31st March, 2016 with the appointment of Independent Directors. The Board has accepted the recommendations of the Audit Committee from time to time.

Vigil Mechanism/ Whistle Blower Policy:

The Company has established a vigil mechanism policy for the directors and its employees to report genuine concerns about the illegal and unethical practices and behaviour, actual or suspected fraud or the violation of the Company's Code of Conduct or the ethics policy and the said policy is posted on the website of the Company. The Policy is established under section 177(10) of the Companies Act, 2013.

Directors' Responsibility Statement:

The Directors confirm that -

- i In preparation of the Annual Accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- ii They have selected such accounting policies and applied them consistently and made judgements 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 on 31st March 2016 and the profit of the Company for the year ended on that date.
- iii 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 the safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv They have prepared the annual accounts on a going concern basis;
- v They have laid down internal financial controls for the Company, and such internal financial controls are adequate and operating effectively, and
- vi They have devised proper systems to ensure compliances with the provisions of all applicable laws and, which, in the opinion of the Board, are adequate and operating effectively.