

# Sinnar bidi udyog ltd.

Admini. Office : Camel House, Nashik-Pune Road,  
Nashik-422 011.

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CIN : L16002 MH 1974 PLC0 17734

**S A R D A**

By Online filing

September 20, 2018

To

**Department of Corporate Services**

**BSE Limited**

**27<sup>th</sup> Floor Phiroze Jeejibhoy Towers,**

**Dalal Street,**

**Mumbai 400 001**

**Ref: Code No. 509887**

**Sub: Annual Report for the year 2017-18 (As per Regulation 34 of the Listing Regulations (LODR) 2015.)**

Dear Sir,

1	Name of the company	SINNAR BIDI UDYOG LIMITED
2	Annual financial statements for the year ended	31 <sup>st</sup> March 2018
3	Type of Audit observation	Un-qualified
4	Frequency of observation	N.A.
5	To be signed by- <ul style="list-style-type: none"><li>• CEO/Managing Director</li><li>• CFO</li><li>• Auditor of the company</li><li>• Audit Committee Chairman</li></ul>	CFO

Kindly take the above on record.

Yours Faithfully,

**For SINNAR BIDI UDYOG LIMITED**

  
**MADHAV DESHPANDE**

**WHOLE TIME DIRECTOR AND CFO**

**SINNAR  
BIDI UDYOG LIMITED**

**44<sup>th</sup>  
ANNUAL  
REPORT  
2017-2018**

**44<sup>th</sup> ANNUAL REPORT**  
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**44<sup>th</sup> ANNUAL REPORT  
2017-18**

**BOARD OF DIRECTORS**

- **Madhav Deshpande** Whole Time Director & CFO
- **Bhausahab Pawar** Director
- **Laxminarayan Karwa** Director
- **Bharti Sancheti** Director
- **Dhanpal Shah** Independent Director
- **Rajendra Tatiya** Independent Director

**AUDITORS**

- **SHARAD BEDMUTHA**  
Chartered Accountants  
Nashik - 422 005.

**BANKERS**

- **STATE BANK OF INDIA**  
Nashik

**REGISTRAR**

- **LINK INTIME INDIA PVT. LTD.**  
C-101, 247 Park, LBS Marg, Vikhroli (W),  
Mumbai - 400 083

**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 Keer Marg, Mahim, MUMBAI - 400 016

**Adm. Office :** 'Camel House', Nasik-Pune Road, Nasik - 422 011

**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 44<sup>th</sup> 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, 11<sup>th</sup> September 2018 at 12.00 Noon to transact the following business:

### **ORDINARY BUSINESS:**

1. To consider and adopt the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March 2018 and the reports of Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Laxminarayan Mohanlal Karwa (DIN:00333020), who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to appoint Sabadra and Sabadra, Chartered Accountants, Nashik (Firm Regn.No. 108921W) as Statutory Auditors of the Company to hold office from the conclusion of this 44th Annual General Meeting till the conclusion of the 49th Annual General Meeting and fix their remuneration and for that purpose to pass the following as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, Sabadra and Sabadra, Chartered Accountants, Nashik (Firm Regn.No. 108921W), be and is hereby reappointed as Statutory Auditors of the Company to hold office from conclusion of 44th Annual General Meeting till the conclusion of 49th Annual General meeting to examine and audit the accounts of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to decide and finalise the terms and conditions of appointment, including the remuneration of the Statutory Auditors.”

**By order of the Board of Directors  
For Sinnar Bidi Udyog Limited**

**Sushil Ladda  
Company Secretary  
Place: Nashik  
Date: 20<sup>th</sup> July 2018**

**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. Authorised Representative of body corporate who is a registered equity shareholder of the Company may attend and vote at the meeting provided a certified copy of the resolution of the Board of Directors authorising such representative to attend and vote at the meeting on behalf of the body corporate is deposited at the registered office of the company.
3. The Register of Members and Share Transfer Book of the Company will remain closed from 6<sup>th</sup> September 2018 to 11<sup>th</sup> September, 2018 (both days inclusive).
4. The Company has appointed M/s Link Intime India Private Limited, 247, Lal Bahadur Shastri Marg, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083 as its Share Transfer Agents.
5. Complete set of 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 Annual Report 2017-18 is being sent to all members.
6. Members are requested to intimate immediately the changes if any, in their registered address.
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 44<sup>th</sup> 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 44<sup>th</sup> 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.
14. The SEBI has mandated the submission of the Permanent Account Number (PAN) and Bank account details by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN and Bank account details (a copy of the PAN card and original cancelled cheque leaf/attested bank passbook showing name of account holder) to their depository participant(s). Members holding shares in physical form are required to submit their PAN and Bank account details to the Registrar and Share Transfer Agents.
15. With the aim of curbing fraud and manipulation risk in physical transfer of securities, SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 on June 8, 2018 to permit transfer of listed securities only in the dematerialized form with a depository. In view of the above and the inherent benefits of holding shares in electronic form, we urge the shareholders holding shares in physical form to opt for dematerialization.
16. Members who are holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Company's Registrar and Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the members after making requisite changes, thereon. Members are requested to use the share transfer form SH-4 for this purpose

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

**Sushil Ladda  
Company Secretary**

**Place: Nashik  
Date: 20<sup>th</sup> July 2018**



## Gurukrupa CHS

Apartment Building



41, N. C. Kelkar Road Dadar West, N. C. Kelkar Road, Dadar West, Mumbai, Maharashtra 400028

# SINNAR BIDI UDYOG LIMITED.

## DIRECTORS' REPORT (Pursuant to section 134 (3) of Companies Act, 2013)

Dear Shareholders,

Your directors are pleased to present the 44<sup>th</sup> Annual Report on the business and operations of your Company together with the financial statements for the year ended 31<sup>st</sup> March, 2018

### 1. Corporate Overview:

Sinnar Bidi Udyog Ltd (“Your Company” or “The Company”) is engaged in the activity of trading of Tobacco and processing of Tobacco. The Company has its corporate head office at Nashik.

### 2. Financial Results:

The financial results for the Financial Year 2017-18 is as under: -

Particulars	F.Y. 2017-18	F.Y. 2016-17
Net Sales	797.42	870.56
Other Income	3.54	2.45
Total Income	800.96	873.01
Manufacturing & other Expenses	818.94	869.18
Profit Before Tax & extraordinary items	(17.98)	3.83
Exceptional & extraordinary items	-	-
Profit / (Loss) after exceptional & extraordinary items	(17.98)	3.83
Current and Deferred Tax	(4.11)	3.34
Profit / (Loss) After Tax	(13.87)	0.49
Other Comprehensive Income	7.63	-
Profit / (Loss) After Other Comprehensive Income	(6.24)	0.49

### 3. Business Operations:

The Company's working for the year resulted in loss, as seen from the above summary. The activities carried on by the Company were trading of Tobacco and processing of Tobacco. The sales turnover from these activities reduced during the financial year 2017-18 to Rs.797.42 lacs from Rs. 870.56 lacs of the previous financial year. There has been downward trend in the turnover of the Company since past two years. This is mainly attributed to the basic nature of the industry in which the company operates. The market situation at present and also near future is not conducive to the tobacco products in which the company deals. The Company has to face business slowdown in addition to the stringent regulations on the tobacco industry.

### 4. Dividend:

In absence of profits, the directors regret their inability to recommend any dividend.



**5. Amount carried to the reserves:**

No amounts are proposed to be transferred to the reserves.

**6. Change in the nature of the Business:**

During the year under consideration, the company has not made any changes in the nature of its business.

**7. Status of Company's Affairs:**

During the year, there was no change in the status of the company. The company is a listed entity and going concern. The shares of the Company continue to be listed on the Bombay Stock Exchange only.

**8. Significant and Material Orders passed:**

There were no significant and Material orders passed by any regulators, courts or tribunals which have an impact of affecting the company's going concern status and operation of the company in the Future.

**9. Material Changes and Commitments:**

There are no material changes or commitments affecting the financial position of the Company occurring between the end of the Balance Sheet Date and the date of this report.

**10. Board of Directors:**

The Composition of Board of Directors of the Company is in accordance with the Companies Act 2013. During the year there were no changes in composition of the Board.

**11. Key Managerial Personnel:**

The following are the Key Managerial Personnel of the Company:

1. Mr. Madhav D. Deshpande: Chairman, Whole Time Director, CFO
2. Mr. Sushil S Laddha: Company Secretary

**12. Meetings of Directors:**

During the financial year 2017-18, the Board of Directors of the Company met 6 times on 29<sup>th</sup> May 2017, 1<sup>st</sup> August, 2017, 12<sup>th</sup> August 2017, 13<sup>th</sup> November, 2017, 14<sup>th</sup> February 2018 and 24<sup>th</sup> March 2018. The maximum interval between any two meetings did not exceed 120 days. The details of attendance of Directors for Board as well as Committee meetings is attached to Boards Report as *Annexure- 1*. The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

**13. Audit Committee:**

The Audit Committee Comprises of three Directors namely Mr. Dhanpal Shah (Independent Director), Mr. Rajendra Tatiya (Independent Director) and Mr. Madhav Deshpande (Whole Time Director and Chief Financial Officer).

The audit committee duly met 4 times on 29<sup>th</sup> May, 2017, 12<sup>th</sup> August, 2017, 13<sup>th</sup> November, 2017 and 14<sup>th</sup> February, 2018.

The Board has accepted all the recommendations of Audit Committee.

**14. Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee comprises of Mr. Bhausaheb Pawar, Ms. Bharati Sancheti, Mr. Dhanpal Shah and Mr. Rajendra Tatiya.

**15. Stakeholders Relationship Committee:**

The committee comprises of Ms. Bharati Sancheti and Mr. Bhausaheb Pawar.

The committee met on 10<sup>th</sup> April, 2017.

**16. Meeting of Independent Directors:**

The Separate meeting of Independent Directors of the Company was held on 24<sup>th</sup> March 2018 in terms of Schedule IV of the Companies Act 2013.

**17. 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.

**18. Directors retiring by rotation and re-appointment:**

In terms of provisions of section 152(6)(a) of the Companies Act, 2013, director Mr. Laxminarayan Mohanlal Karwa retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment at the ensuing Annual General Meeting.

**19. Declaration by Independent Directors:**

The Company has received the Declarations from its Independent Directors pursuant to section 139(7) to the effect that they meet the criteria of Independence and the same is duly recorded in the first Board meeting held in the financial year.

**20. Familiarisation programme for Independent Directors:**

The company has conducted familiarisation programme for the independent directors. The company while formalising the program, ensured 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 and business model of the company.

**21. 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 without fear of reprisal, and hence to help ensure that the Company continues to uphold its high standards. The said policy is posted on the website of the Company. The Policy is established under section 177(10) of the Companies Act, 2013.

**22. Remuneration of Directors and employees:**

The disclosures as required under section 197 of the Companies Act, 2013 and rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in *Annexure – 2*.

**23. Nomination and Remuneration Policy:**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The salary payable to the WTD and CFO and Company Secretary is as per the Nomination and Remuneration Policy. This policy also lays down criteria for selection and appointment of Board Members and annual evaluation of the performance of every director of the Company. The same is attached to the Board's Report as *Annexure-3*.

**24. Risk Management Policy:**

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Board has formulated a risk management policy for the company, identifying the areas of risk for the Company and the same has been implemented.

**25. Formal Annual Evaluation of performance of Board, its Committees and the individual Directors:**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. The performance evaluation of the Independent Directors was completed during the year under review.

The nomination and remuneration policy lays down the criteria for formal annual evaluation of the performance of the Board and the individual directors. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors and Non-Executive Directors. The Board of Directors expressed their satisfaction with the evaluation process.

Accordingly the company has evaluated the performance of the Board and the individual directors.

**26. Disclosure regarding the receipt of commission by the Managing Director, Whole Time Director from the company, its holding or subsidiary company:**

The Whole Time Director does not receive any commission from the company or its associate companies.

**27. Ratification of Appointment of Statutory Auditors:**

As per the provisions of Section 139 of the Companies Act 2013, the term of office of S. D. Bedmutha, Chartered Accountants, Nashik, as Statutory Auditors of the Company will conclude from the close of the forthcoming Annual General Meeting i.e. from the conclusion of 44<sup>th</sup> Annual General Meeting of the Company.

Subject to the approval of the Members, the Board of Directors of the Company recommends the appointment of Sabadra and Sabadra, Chartered Accountants, Nashik (Firm Regn.No. 108921W) as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013.

Members' attention is drawn to a Resolution proposing the appointment of Sabadra and Sabadra, Chartered Accountants, Nashik (Firm Regn.No. 108921W) as Statutory Auditors of the Company which is included at Item No. 3 of the Notice convening the Annual General Meeting.

**28. Statutory Audit Report:**

There are no adverse comments or remarks in the Statutory Audit Report provided by Mr. S. D. Bedmutha, Chartered Accountant, Nashik, which require clarification from the directors.

**29. Secretarial Audit Report:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Board has appointed M/s JHR & Associates, Company Secretaries, Thane, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report in form MR-3 is attached to the Board's Report. There is no secretarial audit qualifications for the year under review.

**30. Cost Audit:**

The provisions for audit of the cost records were not applicable to the Company during the financial year ended 31<sup>st</sup> March 2018.

**31. 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.

**32. 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-4*.

**33. Directors' Responsibility Statement:**

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

- i. that in the preparation of the Annual Accounts for the year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. the directors had 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 at March 31, 2018 and of the profit of the Company for the year ended on that date;
- iii. the directors 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;
- iv. the annual accounts have been prepared on a going concern basis;
- v. that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi. that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**34. Loans, Guarantees and Investments:**

The Company has not given any loans or guarantee or provided security in connection with loan to any other body corporate or persons as governed under the provisions of section 186 of the Companies Act, 2013. The Company has neither acquired nor purchased any securities of any other body corporate during the financial year.

**35. Related Party Transactions:**

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder are not attracted.

All related party transactions are mentioned in the Financial Statements. The Company has developed a framework through Standard Operating Procedures for the purpose of identification and monitoring of such Related Party Transactions.

The statement of related party transaction is attached to the Board Report in form AOC-2 as *Annexure -5*.

**36. Subsidiary, Associates and Joint Venture Companies;**

The Company has two associate companies:

1. Vidarbha Bidi Limited
2. Tip Top Health Zone Private Limited.

None of the other companies became the subsidiary, joint venture, or Associates companies of the company nor they ceased to be its subsidiary, joint venture or associate. The details of investments held in Associate Companies is annexed to the Board Report in form AOC-1 as *Annexure-6*.