

**35<sup>th</sup>**  
**ANNUAL**  
**REPORT**  
**2008-2009**

**SINNAR**  
**BIDI UDYOG LIMITED**

**35<sup>th</sup> ANNUAL REPORT**

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**A REQUEST**

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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.

**35<sup>th</sup> ANNUAL REPORT**

2008 - 2009

**BOARD OF DIRECTORS**

- **V. S. MAYDEO** Executive Director
- **N. L. PATIL** Director
- **M. D. DESHPANDE** Director
- **B. S. PAWAR** Director
- **D. P. DEVHAD** Director
- **S. P. BAHETI** Director

**AUDITORS**

- **ANAND S. DAGA**  
Chartered Accountants  
Nashik - 422 001.

**BANKERS**

- **IDBI BANK**  
Nashik - 422 001.

**REGISTERED OFFICE**

- Flat No. 10, Sumer Kendra,  
Pandurang Budkar Marg, Near Worli  
T. V. Centre, Behind Mahendra Towers,  
Mumbai - 400 030.

**ADMINISTRATIVE OFFICE**

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

**Notice of the Meeting**

**NOTICE IS HEREBY GIVEN THAT**

The 35<sup>th</sup> Annual General Meeting of the members of the Company will be held at the 2, Gurukrupa Apartments, N. C. Kelkar Marg, Dadar (West), Mumbai - 400 028 on Tuesday, 15<sup>th</sup> September, 2009 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 2009 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.N.L.Patil, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri.B.S.Pawar, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

**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 that a proxy need not be a member.
  2. The Register of Members and Share Transfer Book of the Company will remain closed from 10<sup>th</sup> September, 2009 to 15<sup>th</sup> September, 2009 (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. The Unclaimed dividend for F.Y. 2001-2002 is due for transfer to the Central Government's Investor Education And Protection Fund on 30<sup>th</sup> October, 2009, pursuant to Section 205 C of the Companies Act, 1956.
- The Shareholders whose dividends for F.Y.2001-2002 are unpaid, are requested to lodge their claims on or before 29<sup>th</sup> October, 2009.

By Order of the Board of Directors,

Place : Nashik  
Date : 24<sup>th</sup> June, 2009

**V. S. Maydeo**  
Executive Director

**M. D. Despande**  
Director

**Directors' Report**

Gentlemen,

Your Directors have pleasure in presenting their Thirty - Fifth Annual Report alongwith the audited statement of accounts for the year ended 31<sup>st</sup> March, 2009.

<b>Financial Results</b>	<b>2008-2009 (Rs. Lacs)</b>	<b>2007-2008 (Rs. Lacs)</b>
<b>Profit/(Loss) Before Tax</b>	(37.82)	(5.92)
Less : Provision for Current Tax	0.00	0.00
Provision for Deferred Tax	(4.62)	(9.84)
Fringe Benefit Tax	0.11	0.20
Prior Period Adjustment Taxation	(0.29)	0.00
<b>Profit / (Loss) after Tax</b>	(33.02)	3.72
Add : Balance from Previous year	(5.54)	(9.25)
<b>Balance Carried to Balance Sheet</b>	<b>(38.56)</b>	<b>(5.54)</b>

**Business Operations**

During the financial year ended 31<sup>st</sup> March, 2009 the sales turnover from tobacco trading was Rs.38.88 lacs as against Rs.161.38 lacs in the previous year. The Company Looks forward to a rise in the sales turnover in the forthcoming period. During the first quarter of the Financial year 2009 - 10, the Company has recorded a sales turnover of Rs. 59 Lacs from tobacco trading.

**Dividend**

The Directors regret their inability to recommend dividend due to absence of Profit .

**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.

**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. N.L.Patil, and Shri. B. S. Pawar, Directors, retire by rotation and being eligible, offer themselves 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 judgements 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 31<sup>st</sup> March, 2009 and the profit of the company for the year ended 31<sup>st</sup> March, 2009;
- 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.

Place : Nashik  
Date : 24<sup>th</sup> June, 2009

**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 the Auditor.

**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 the various Government and non-Government Authorities.

For and on Behalf of The Board of Director

V. S. Maydeo  
Executive Director

M. D. Despande  
Director

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business of the Company:

The Company operates in the tobacco industry, with tobacco processing and trading as its core activity. The working of the company during the year could be summarized as under:

### Abridged Profit & Loss Statement for 2008-09

(Rs. in lacs)

<i>Particulars</i>	<i>2008-09</i>	<i>2007-08</i>
Net Sales	38.89	161.39
Other Income	48.41	38.7
Total Income	87.30	200.09
Manufacturing & Other Expenses	118.73	191.30
PBDIT	(31.43)	8.79
Depreciation	5.06	4.98
PBIT	(36.49)	3.81
Interest	1.33	9.73
PBT	(37.82)	(5.92)
Current & Differed Tax	(4.8)	(9.64)
PAT	(33.02)	3.72

### Industry structure and developments:

India ranks among the top 5 five countries in both production and consumption of tobacco and tobacco products. Tobacco Industry in India employs 10 million people. Out of these, around 60 lakh are directly employed in the rolling of bidi activity. The rest are tendu leaves cultivators in the forest areas of the country. Maharashtra is home to around 2.5 to 3 lakh of this workforce. Solapur district alone employs nearly 65,000 workers in different activities of bidi industry. Andhra Pradesh and Karnataka also house tobacco processing units. Bidi products are 100 per cent natural with low nicotine and tar percentages. Also, Bidi is an important source of income, for women, whose earnings constitute on an average 45 to 50% of the total income.

### Opportunities and threats:

Your Company's strength lies in the Tobacco processing plant, which is situated at Nipani in the state of Karnataka running exceptionally well, and its expertise is exhibited in developing specialised blends to satisfy its customers. In the forthcoming period, the Company has plans to concentrate on trading of tobacco.

Your Company's weakness stems from the fact that it is deeply affected by the amendments made in The Cigarettes and other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003 and this has impacted the business of the Company. The Government's plan to halve tobacco production by 2015 is also a major threat to the business of the Company, with raw material being scarce, which will also entail increase in costs.

**Internal control systems and their adequacy**

The Company has evolved a system of internal control which is adequate to its size and nature of business operations. The internal control system is designed to ensure desired level of control over the transactions. Internal audit plays an important role as it conducts audit of all key business areas as per a pre-drawn audit plan. The internal audit, among other things, looks at internal controls and gives suggestions for strengthening them.

The Company has a strong management information system which is an integral part of control mechanism and clearly defined roles and responsibilities, down the line for all managerial positions.

**Material developments in Human Resources / Industrial Relations**

The company's Human Resource philosophy is to work towards building a strong performance driven culture with greater accountability and responsibility at all levels. The personnel at all levels are made to identify their goals, resources and measurement of their achievement of the goals was sought.

For the workers in the tobacco industry, the Company has taken innovative employee welfare initiatives. Our deep-rooted work ethics ensure that both the management and workers help each other to achieve the goal of production and distribution of wealth upon principles of equity, reason and common good. We incessantly endeavour to create a scalable business model for our people, our biggest assets. These include working towards the benefit and safety through various welfare activities for the workers and their families, which include comprehensive medical and educational facilities.

**Cautionary Statement:**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations and predictions may be "forward looking statements" within the meaning of applicable securities law and regulations. Actual results could differ materially from those expressed or implied, important factors that could make difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in the government regulations, tax regimes, economic developments in India and other incidental factors.



## CORPORATE GOVERNANCE REPORT

### 1. Company's Philosophy :

The Company is managed and operated on lines of a social enterprise. We are remaining firmly attached to the vision and values of our founding father, facilitating as a consequence, the economic wellbeing and child welfare of our workers. We look at the customer as an entity who monetizes the value chain... Actually, all our businesses revolve around the worker.

Giving back to our employees, stakeholders and communities enriches us with loyalty, talent and opportunity. We believe it is the right thing to do.

We have evolved a way to quantify our vision. The quantification of our vision and its achievement is based on two parameters: 1) The minimum wages guidelines set by the Ministry of Labour and 2) The UNICEF yardsticks for child welfare. A regular feedback from our workers and their families on the fulfillment of these parameters fructifies our vision which is ably supported by the following core set of values:

**COMMITMENT - MEASUREMENT - FAIRNESS -  
ACCOUNTABILITY - TRANSPERANCEY - ENABLING GROWTH**

Our Governance Philosophy:

Your Company is committed to the Best practices in corporate governance. Sinnar Bidi Udyog Limited (SBUL) fosters the culture of focusing on transparency, integrity, responsibility and accountability. The Company has adopted various codes and systems which act as guiding principle to its functioning.

### 2. Board of Directors:

Composition of Board:

There are six Directors on the Board of the Company. One Executive Director and Five independent non-executive Directors. The Directors come from various disciplines and having varied experience in the filed of Management.

Various committees of the board have been constituted for the implementation of Corporate governance requirements.

Board Meetings:

Board meetings are held after giving due notice and agenda to all the Directors. The Board of Directors duly met 18 times in the financial year, respectively on :

2<sup>th</sup> April,2008, 11<sup>th</sup> April,2008, 17<sup>st</sup> April,2008, 23<sup>th</sup> April,2008, 30<sup>th</sup> April,2008, 15<sup>th</sup> May,2008, 23<sup>rd</sup> May,2008, 31<sup>st</sup> May,2008, 7<sup>th</sup> June,2008, 30<sup>th</sup> June,2008, 7<sup>th</sup> July,2008, 30<sup>th</sup> July,2008, 2<sup>nd</sup> August,2008, 24<sup>th</sup> September,2008, 20<sup>th</sup> November,2008, 30<sup>th</sup> Janauary,2009, 27<sup>th</sup> February,2009, 16<sup>th</sup> March,2009,

# SINNAR BIDI UDYOG LIMITED

Sr. No.	Name of Director	Category	Board Meetings during 08-09	Annual General Meeting 24.09.2008	Other Directorship / Chairmanship/ Membership in Board committees		
					Director	Committee Member	Committee Chairman
1	Shri.N.L.Patil	Independent	18	—	4	Nil	Nil
2	Shri.M.D.Deshpande	Independent	18	Yes	3	Nil	Nil
3	Shri.B.S.Pawar	Independent	18	—	3	Nil	Nil
4	Shri.V.S.Maydeo	Executive	18	—	Nil	Nil	Nil
5	Shri.S.P.Baheti	Independent	18	—	2	Nil	Nil
6	Shri.D.P.Devhad	Independent	18	—	4	Nil	Nil

### 3. Audit Committee:

Terms of reference of Audit Committee:

The terms of reference of this committee, interalia covers all the matters specified under clause 49 of the listing agreements with the Stock Exchanges. Besides, other terms as may be referred by the Board of Directors, from time to time. The Audit Committee has also powers, interalia to investigate any activity within its terms of reference and to seek information from any employee of the Company and seek legal and professional advice.

### Composition and working of Audit Committee:

Name of Director	Designation in committee	No. of meetings held	No. of meetings attended
Shri.N.L.Patil	Member	3	3
Shri.M.D.Deshpande	Chairman	3	3
Shri.V.S.Maydeo	Member	3	3
Shri.D.P.Devhad	Member	3	3

The Audit committee met thrice during the financial year, on 2<sup>nd</sup> June, 2008, 25<sup>th</sup> October, 2008 and 20<sup>th</sup> January, 2009

### 4. Remuneration Committee :

The Company has set up a Remuneration Committee (a non-mandatory requirement in the new Clause 49 to the listing agreement).

Terms of reference of the Remuneration Committee:

1. Review of human resource policies and practices of the Company and in particular, policies regarding remuneration of Whole-time Directors and Senior Managers.

2. In principle approval of Compensation Philosophy.
3. Review of Senior Management Compensation.
4. Induction of new people.

Name of Director	Designation in committee	No. of meetings held	No. of meetings attended
Shri. N. L. Patil	Chairman	Nil	Nil
Shri. D. P. Devhad	Member	Nil	Nil
Shri. S. P. Baheti	Member	Nil	Nil

Remuneration is paid to the executive director, as approved by the remuneration committee and remuneration for non-executive directors was sitting fees for the board meeting. The Directors, however, have waived the payment of sitting fees for the year 2008-09, and as such, no remuneration is payable to the non-executive directors.

Name of Director	Relationship with other directors	Sitting Fees	Salary and allowances (Rs.)	Perquisites (Rs.)	Total (Rs.)
Shri.N.L.Patil	Nil	Nil	—	—	—
Shri.M.D.Deshpande	Nil	Nil	—	—	—
Shri.B.S.Pawar	Nil	Nil	—	—	—
Shri.V.S.Maydeo	Nil	N.A.	2,74,016/-	—	2,74,016/-
Shri.S.P.Baheti	Nil	Nil	—	—	—
Shri.D.P.Devhad	Nil	Nil	—	—	—

## 5.Shareholders' committee:

Shareholders' committee is headed by Shri.D.P.Devhad, non-executive Director. Among the members is the Compliance officer of the Company, Shri. N.L.Patil.

Name of Director	Designation in committee	No. of meetings held	No. of meetings attended
Shri.D.P.Devhad	Chairman	6	6
Shri.B.S.Pawar	Member	6	6
Shri.N.L.Patil	Member and Compliance Officer	6	6

No shareholder complaints were received during the period under review. The shareholder's committee duly met on 11<sup>th</sup> September, 2008, 25<sup>th</sup> November, 2008, 19<sup>th</sup> January, 2009, 17<sup>th</sup> February, 2009, 16<sup>th</sup> March 2009 and 31<sup>st</sup> March 2009 to consider, inter-alia, the transfer of shares and issue of duplicate share certificates.

## 6. General body Meetings:

Details of last three Annual general Meetings:

Date and time of AGM	Venue of AGM	Special Resolution passed at the AGM
24 <sup>th</sup> September, 2008 at 1.30 p.m.	Registered Office at Mumbai	—
28 <sup>th</sup> September, 2007 at 1.30 p.m.	Registered Office at Mumbai	Consent of Members for Corporate Guarantee extended, pursuant to Section 372A of the Act.
25 <sup>th</sup> August, 2006 at 2.00 p.m.	Registered Office at Mumbai	—

## 7. Disclosures:

1. **Related party transactions:** During 2008-09, the Company has entered into related party transactions after complying with the requirements of Section 297 of the Act. The transactions are with a private limited company in which one of the independent director is a director.
2. During the last three years, no penalties, strictures were imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets.
3. **Whistle Blower Policy:** With a view to establish a mechanism for protecting employees reporting unethical behaviour, frauds or violation of Company's Code of Conduct, the Board of Directors has adopted a Whistle Blower Policy (a non-mandatory requirement in the new Clause 49 to the listing agreement). During the year 2008-09, no person has been denied access to the Audit Committee.
4. Compliance with the mandatory requirements and adoption of the non-mandatory requirements of this clause :

## Compliance Report on Corporate Governance for the year ended 31st March, 2009

Name of the Company: SINNAR BIDI UDYOG LIMITED, Code No.509887

Particulars	Clause of Listing agreement	Compliance Status Yes/No
<b>I Board of Directors</b>	49 I	
(A) Composition of Board	49 (IA)	Yes
(B) Non-executive Directors' compensation & disclosures	49 (IB)	Yes
(C) Other provisions as to Board and Committees	49 (IC)	Yes
D) Code of Conduct	(49 (ID)	Yes
<b>II. Audit Committee</b>	49 (II)	
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes
(B) Meeting of Audit Committee		Yes
(C) Powers of Audit Committee 49 (IIC)	49 (IIB)	Yes
(D) Role of Audit Committee	49 II(D)	Yes
(E) Review of Information by Audit Committee	49 (IIE)	Yes
<b>III. Subsidiary Companies</b>	49 (III)	N.A.
<b>IV. Disclosures</b>	49 (IV)	
(A) Basis of related party transactions	49 (IV A)	Yes
(B) Disclosure of Accounting Treatment	49 (IV B)	N.A.
(C) Board Disclosures	49 (IV C)	Yes
(D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)	N.A.
(E) Remuneration of Directors	49 (IV E)	Yes
(F) Management	49 (IV F)	Yes
(G) Shareholders	49 (IV G)	Yes
<b>V. CEO/CFO Certification</b>	49 (V)	Yes
<b>VI. Report on Corporate Governance</b>	49 (VI)	Yes
<b>VII. Compliance</b>	49 (VII)	Yes

### Disclosures by management to the Board:

All details relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board and the interested Directors neither participate in the discussion, nor do they vote on such matters.

Re-appointment of Directors Liable to Retire by Rotation and appointment of Directors for whom notice pursuant to section 257 has been received:

# SINNAR BIDI UDYOG LIMITED

According to the Articles of Association of the Company, at every annual general meeting of the Company one-third of the Directors are liable to retire by rotation. Thus, Mr. N. L. Patil & Mr. B. S. Pawar shall retire at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. Details of their reappointment are included in the Notice of the Annual General Meeting.

Name of Director	Appointment/ reappointment	Qualifications and Expertise of Director	Other Directorships	No. of shares held	Membership of Committees
Shri. Naryan Laxman Patil	Reappointment	L.L.B.	1 Shrirang Tobacco Products Ltd., 2. Kay Bee Foods Products Pvt.Ltd. 3. STS Exports Ltd. 4. Pashupatinath Tobacco Products Pvt. Ltd.	Nil	Audit Committee (Chairman)
Shri. Bhausahab Sukhdev Pawar	Reappointment	B.Com.	1. Shrirang Tobacco Products Ltd, 2. Kiran Ayurvedic Products Pvt.Ltd. 3. Vidarbha Bidi Ltd.	Nil	Audit Committee

## 8. Means of communication :

Quarterly Results: Quarterly Unaudited Results are published for the first three quarters of the financial year, and audited results are declared in respect of the last quarter of the financial year. The results are published in the Free Press Journal and Nav Shakti, Mumbai.

## 9. General Shareholder information:

### i. AGM Details for the current year:

Date: 15<sup>th</sup> September, 2009

Time: 1.30 p.m.

Venue: 2, Gurukrupa Apartments, N. C. Kelkar Marg, Dadar (West), Mumbai - 400 028.

### ii. Financial Year: April 1 to March 31.

For the year ended 31<sup>st</sup> March, 2009, dates of declaration of quarterly results:

First Quarter : 30<sup>th</sup> July, 2008

Second Quarter : 25<sup>th</sup> October, 2008

Third Quarter : 30<sup>th</sup> January, 2009

Fourth Quarter and Annual : 24<sup>th</sup> June, 2009

**iii. Date of Book closure:**

10<sup>th</sup> September, 2009 to 15<sup>th</sup> September, 2009

**iv. Listing on Stock Exchanges:**

The Bombay Stock Exchange Limited  
The Pune Stock Exchange Limited

**v. Stock Code      509887**

**vi. Shareholding Pattern: Following information can be summarized as on the date:**

**Distribution of Shareholdings:**

Sr. No.	No. of Equity Share	No. of Shareholders	% of Shareholders	No. of Shareholdings	% of Shareholdings
1	1 - 5000	389	92.8400	345000	17.2500
2	5001 - 10000	10	2.3870	88000	4.4000
3	10001 - 20000	5	1.1930	73000	3.6500
4	20001 - 30000	4	0.9550	94500	4.7250
5	30001 - 40000	1	0.2390	37000	1.8500
6	40001 - 50000	2	0.4770	87000	4.3500
7	50001 - 100000	5	1.1930	372300	18.6150
8	100001 - *****	3	0.7160	903200	45.1600
	<b>TOTAL</b>	<b>419</b>	<b>100.0000</b>	<b>2000000</b>	<b>100.0000</b>

**Distribution of Shareholdings :**

Categories	No. of Holders	No. of Shares	% of Holding`
Promoters	8	79350	39.6750
Bodies Corporate (Promoters)	6	62650	31.3250
Bodies Corporate (others)	6	1000	.50
Foreign Investors	-	-	—
Bank/FIs	-	-	—
Others	399	57000	28.5
<b>TOTAL :</b>	<b>433</b>	<b>200000.00</b>	<b>100.00</b>

**vii. Registrar and Transfer Agents :**

Link Intime India Private Limited (earlier Known as Intime spectrum Registry Limited), C-13, Pannalal Silk Mills compound, LBS Marg, Bhandup -(W)

**viii. Dematerialization of shares: Status of dematerialized shares :**

Particulars	No. of shares	% of holding
Shares held in Demat form :	14,550	7.275
Physical	1,85,450	92.725

**ix. Liquidity:**

The public shareholding is 58,000 shares, i.e. 29%.

**x. Name, Telephone & Fax no. of the :  
compliance Officer of the Company**

**Shri.N.L. Patil, Director**  
(0253) 2594231, Fax. (0253)2595698  
Flat No. 10, Sumer Kendra, Pandurang Budkar  
Marg, Near Worli, T. V. Centre, behind  
Mahendra Towers, Mumbai - 400 030.  
narayan.patil@sarda.co.in

**xi. e-mail id of the compliance officer :**



**Certification by Whole-Time Director and Director and  
Chairman of Audit Committee to the Board:**

We, V.S.Maydeo, Executive Director and M.D.Deshpande, Director and Chairman of Audit Committee, certify that :

1. We have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2009 and to the best of our knowledge and belief:
  - a. these statements do not contain any materially untrue statement or omit any material fact or *contain statements that might be misleading*;
  - b. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company *pertaining to financial reporting*.
4. We indicate to the auditors and to the Audit committee :
  - i. Significant changes in internal control over financial reporting during the year;
  - ii. Significant changes in accounting policies during the year;
  - iii. Instances of significant fraud of which we have become aware and involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.However, during the year, there were no such changes or instances.

V. S. Maydeo  
Whole Time Director

M.D.Deshpande  
Director

Date : 24<sup>th</sup> June,2009

# 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

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### COMPLIANCE CERTIFICATE

To The Members of  
SINNAR BIDI UDYOG LTD.

We have examined the compliances of conditions of Corporate Governance by Sinnar Bidi Udyog Ltd., for the year ended on March 31, 2009, as stipulated in clause 49 of the Listing Agreement of the said company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For J. H. Ranade & Associates  
Company Secretaries

Place : Mumbai  
Date : 07<sup>th</sup> July 2009

J. H. Ranade  
Proprietor  
FCS - 4317 CP - 2520

# 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)

CIN of the Company - L16002MH1974PL017734

Nominal Capital: Rs. 20.00 Lacs

The Members

**Sinnar Bidi Udyog Limited**

Flat No. 10, Sumer Kendra,

Pandurang, Budhkar Marg,

Nr. Worli T.V. Centre,

Behind Mahindra Towers,

Mumbai - 30.

We have examined the registers, records, books and papers of 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 31<sup>st</sup> March, 2009, (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 all 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 18 (Eighteen) times respectively on 02/04/2008, 11/04/2008, 17/04/2008, 23/04/2008, 30/04/2008, 15/05/2008, 23/05/2008, 31/05/2008, 07/06/2008, 30/06/2008, 07/07/2008, 30/07/2008, 02/08/2008, 24/09/2008, 20/11/2008, 30/01/2009, 27/02/2009, and 16/03/2009, 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 17/09/2008 to 24/09/2008 (both days inclusive) with necessary compliance of Section 154 of the Act.
6. The Annual General Meeting for the Financial Year ended on 31<sup>st</sup> March, 2008 was held on 24<sup>th</sup> September, 2008 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 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 provision of the Act.
13. The Company has :
  - i) delivered all the certificates on lodgment of securities for transfer & transmission in accordance with the provisions of the Act.
  - ii) not deposited any amount in separate bank account as no dividend was declared during the financial year.
  - iii) was not required to post warrants to any members of the company as no dividend was declared during the financial year.
  - iv) Transferred Rs. 10,215/- for the Year 2000-01 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 there was no appointment of Additional Director, Alternate Directors & Directors to fill casual Vacancy during the Financial Year.
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 Boards, 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 the Deposits including Unsecured Loans accepted / renewed by the Company amounting to Rs.13.96 Lacs during the financial year and that the Company has filed the Statement in lieu of Advertisement with the Registrar of Companies, Maharashtra, Mumbai on 01<sup>st</sup> December, 2008. The Company has also filed Return of Deposit with the Registrar of Companies on 30<sup>th</sup> June, 2008.
24. The amounts borrowed by the Company from Directors, Members, Public, Financial Institutions, Banks and others during the Financial Year ended 31<sup>st</sup> March, 2009 are within borrowing limits of the Company as per Section 293 (I) (d) of the Act.
25. The Company has made investments in other bodies Corporate in Compliance with the provisions of the Act and consequently necessary entries have been made in the

- register kept for the purpose.
26. The Company has not altered the provisions 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 notices 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 : 18<sup>th</sup> June 2009

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. Register 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) Rule 1975.

Contd.....

## ANNEXURE B

Forms and Returns as filed by the Company with the Registrar of Companies, Maharashtra, Mumbai during the Financial Year ending on 31<sup>st</sup> March, 2009

Sr. No.	Form No./ Return	Filed Under Section	For	Date of filing	Whether filed within prescribed time (Yes/No)	If delay in filing whether requisite additional Fee paid (Yes/No)
1.	Form 62	58A	Return of Deposit	30/6/2008	Yes	No
2.	Form 32	303(2)	Change in designation	11/10/2008	Yes	No
3.	Form 66	383A	Compliance Certificate for the year 2007-2008	20/10/2008	Yes	No
4.	Form 23AC and Form 23ACA	220	Balance Sheet for the financial Year Ended on 31 <sup>st</sup> March 2008.	22/10/2008	Yes	No
5.	Form 1	Rule 3 of IEPF Rules	Transfer Dividend for 2000-01 paid on 17/11/2008	22/11/2008	Yes	No
6.	Form 20 B	159	Annual General Meeting for the financial year ended 31 <sup>st</sup> March 2008	22/11/2008	Yes	No
7.	Form 62	58 A	Statement in lieu of Advertisement	1/12/2008	Yes	No
8.	Form 17	138	Satisfaction of Charges, against loan taken From SBI amounting to Rs. 57 crore.	17/12/2008	Yes	No
9.	Form 17	138	Satisfaction of Charges, against loan taken from Shree Lekha Nagari Sahakari Adhikosh Bank Rs. 1,18,000/-	10/03/2009	Yes	No
10.	Form 17	138	Satisfaction of Charges, against loan taken from Shree Lekha Nagari Sahakari Adhikosh Bank Rs. 1,25,000/-	10/03/2009	Yes	No

Sr. No.	Form No./ Return	Filed Under Section	For	Date of filing	Whether filed within prescribed time (Yes/No)	If delay in filing whether requisite additional Fee paid (Yes/No)
11.	Form 17	138	Satisfaction of Charges, against loan taken from Shree Lekha Nagari Sahakari Adhikosh Bank Rs. 1,47,000/-	10/03/2009	Yes	No
12.	Form 17	138	Satisfaction of Charges, against loan taken from Shree Lekha Nagari Sahakari Adhikosh Bank Rs. 2,38,000/-	10/03/2009	Yes	No
13.	Form 17	138	Satisfaction of Charges, against loan taken from Shree Lekha Nagari Sahakari Adhikosh Bank Rs. 3,38,800/-	10/03/2009	Yes	No
14.	Form 17	138	Satisfaction of Charges, against loan taken from Shree Lekha Nagari Sahakari Adhikosh Bank Rs. 1,29,000/-	10/03/2009	Yes	No
15.	Form 17	138	Satisfaction of Charges, against loan taken from Bank of Baroda Amt. Rs. 60 Lacs	28/03/2009	Yes	No
16.	Form 17	138	Satisfaction of Charges, against loan taken from Bank of Baroda Amt. Rs. 2,76,000/-	28/03/2009	Yes	No
17.	Form 17	138	Satisfaction of Charges, against loan taken from Bank of Baroda Amt. Rs. 2.50 Lacs	28/03/2009	Yes	No
18.	Form 17	138	Satisfaction of Charges, against loan taken from Bank of Baroda Amt. Rs. 20 Lacs	28/03/2009	Yes	No

For J. H. Ranade & Associates  
Company Secretaries

Place : Thane  
Date : 18<sup>th</sup> June 2009

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



**REPORT OF THE AUDITORS TO THE MEMBERS OF  
SINNAR BIDI UDYOG LIMITED**

- 1) I have audited the attached Balance Sheet of **SINNAR BIDI UDYOG LIMITED** as at 31<sup>st</sup> March, 2009, the related Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. My responsibility is to express an opinion on these financial statements based on my audit.
- 2) I conducted my audit in accordance with auditing standards generally accepted in India. Those Standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.
- 3) 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.
- 4) 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.
- 5) In my opinion, the Profit and Loss Account, the Balance Sheet & the Cash Flow Statement dealt with by this report subject to notes thereon comply with the Accounting Standards referred to in sub-section (3C) of the Section 211 of the Companies Act, 1956 except for Accounting Standard - 15 (Revised) as referred to in Note No. 2 in Schedule 7.
- 6) The Balance Sheet, Profit and Loss Account & the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- 7) On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2009 and taken on record by the Board of Directors, I report that none of the directors is disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- 8) In my opinion and to the best of my information and according to the explanations given to me, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956 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 Balance-Sheet, of the State of affairs of the Company as at 31<sup>st</sup> March, 2009 and
  - (ii) In the case of the Profit and Loss Account, of the Loss for the year ended on that date.
  - (iii) In the case of the Cash Flow statement, of the Cash Flows for the year ended on that date.
- 9) As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of checks of books and records considered appropriate and the information and explanations given to me during the course of the audit, I further report that :
  - l) (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) Fixed assets disposed off during the year were substantial and therefore 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/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, having regard to the explanation that certain items sold are of a special nature and their prices cannot be compared with suitable alternative quotations, 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. 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) (a) In my opinion and according to information and explanations given to me, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.
- (b) In my opinion and according to the information and explanations given to me, having regard to the comments in (IV) above, the transactions made in pursuance of contracts or arrangements and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices, which are reasonable having regard to the prevailing market prices at the relevant time.
- 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 regards 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 on the company 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) It is informed that maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub section (1) of section 209 of the Companies Act, 1956.
- IX) (a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, VAT, 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 VAT of Rs. 43,750/- which was paid subsequently.

- (b) According to information and explanations given to me there are no disputed amounts outstanding in respect of Sales Tax/VAT, Income Tax, and Cess as at the last day of financial year.
- (c) According to information and explanations given to me Employees State Insuranc, Wealth Tax, Service Tax, Customs Duty & Excise Duty are not applicable to the Company.
- X) The accumulated losses of the Company are not in excess of fifty percent of its net worth. The Company has not incurred cash loss in the current financial year. The company had incurred cash loss in the immediately preceding financial year.
- XI) The Company has not defaulted in repayment of dues to any financial institution or bank. The Company has not issued any debentures.
- XII) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII) The provisions of any special statute applicable to the chit fund / nidhi/ mutual benefit fund / societies are not applicable to the company.
- XIV) In my opinion and according to information and explanations given to me , the Company is not a dealer or trader in shares, securities,

debentures and other investments.

- XV) According to information and explanations given to me the company has not given any guarantee for loan taken by others except for guarantee given (upto 19.11.2008) for loan taken by City Centre Mall Nashik Pvt. Ltd. - the terms and conditions of which were not prejudicial to the interest of the Company.
- XVI) No any fresh term loan has been obtained by the company during the year.
- XVII) On the basis of an overall examination of the Balance Sheet of the Company, in my opinion and according to the information and explanations given to me, there are no funds raised on short-term basis, which have been used for long-term investments.
- XVIII) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- XIX) The Company has not issued any debentures.
- XX) The Company has not raised any money by public issue during the year.
- XXI) During the course of my examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to me, I have neither come across any instance of material fraud on or by the company, noticed or reported during the year nor have I been informed of such case by the management.

Place : Nashik  
Date : 24<sup>th</sup> June, 2009

Anand S. Daga  
Chartered Accountant

# SINNAR BIDI UDYOG LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2009.

	SCHEDULE	31.3.2009 RUPEES	31.3.2009 RUPEES	31.3.2008 RUPEES
<b>FUNDS EMPLOYED</b>				
<b>SHAREHOLDERS' FUNDS</b>				
Share Capital	A	20,00,000		20,00,000
Reserves And Surplus	B	<u>1,64,13,987</u>		<u>1,97,16,436</u>
			1,84,13,987	2,17,16,436
<b>LOAN FUNDS</b>				
Unsecured Loans	C	<u>13,96,000</u>		<u>15,78,983</u>
			13,96,000	15,78,983
<b>Total</b>			<b><u>1,98,09,987</u></b>	<b><u>2,32,95,419</u></b>
<b>FUNDS APPLIED</b>				
<b>FIXED ASSETS</b>				
Gross Block	D	2,14,95,415		2,14,39,999
Less : Depreciation		<u>1,38,92,355</u>		<u>1,34,12,595</u>
		76,03,060		80,27,404
Less : Impairment of Fixed Assets		<u>2,61,441</u>		Nil
			73,41,619	80,27,404
<b>INVESTMENTS</b>				
	E		44,55,259	44,55,259
<b>CURRENT ASSETS</b>				
<b>LOANS AND ADVANCES</b>				
Current Assets	F			
Interest Accrued		3,81,910		55,616
Stocks		1,87,61,372		5,73,399
Sundry Debtors		7,69,374		1,00,95,166
Cash and Bank Balances		<u>73,92,078</u>		<u>2,09,77,909</u>
		2,73,04,734		3,17,02,090
Loans And Advances	G			
Advances		10,58,508		70,43,313
Deposits		<u>7,59,004</u>		<u>7,47,354</u>
		18,17,512		14,51,667
		2,91,22,246		3,31,53,757
Less : CURRENT LIABILITIES AND PROVISIONS	H	<u>2,31,76,137</u>		<u>2,39,46,001</u>
			59,46,109	92,07,756
DEFERRED TAX (NET)			<u>20,67,000</u>	<u>16,05,000</u>
<b>Total</b>			<b><u>1,98,09,987</u></b>	<b><u>2,32,95,419</u></b>
Contingent Liabilities	7			
Statement of Significant Accounting Polices	7			

As per my report of even date attached

V. S. Maydeo : Executive Director  
N. L. Patil : Director  
M. D. Deshpande : Director

Anand S Daga  
Chartered Accountant  
Nashik : 24<sup>th</sup> June, 2009

Nashik : 24<sup>th</sup> June, 2009

# SINNAR BIDI UDYOG LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009.

	SCHEDULE	2008-09 RUPEES	2007-08 RUPEES
<b>INCOME</b>			
Sales		38,88,513	1,61,38,594
Less : Excise Duty		Nil	Nil
		38,88,513	1,61,38,594
Other Income	1	48,41,288	38,70,250
Variation in Stocks	2	1,22,69,794	(27,81,769)
<b>Total</b>		<b>2,09,99,595</b>	<b>1,72,27,075</b>
<b>EXPENDITURE</b>			
Raw Materials Consumed	3	1,19,35,379	1,10,28,431
Packing Materials and Stores Consumed	4	Nil	Nil
Trading Items Purchased		35,72,518	Nil
Payments to and Provisions for Employees	5	23,37,744	37,88,626
Other Expenses	6	25,88,577	27,02,991
Escrow Fund Demand Provision		37,08,515	(11,71,999)
Interest		1,32,788	9,73,383
Depreciation	E	5,06,157	4,97,903
<b>Total</b>		<b>2,47,81,678</b>	<b>1,78,19,335</b>
Net Profit Before Tax		(37,82,083)	(5,92,260)
Less : Provision for Tax			
Current Tax		Nil	Nil
Current Fringe Benefit Tax		11,000	20,000
Prior Period Tax		(28,635)	Nil
Deferred Tax		(4,62,000)	(9,84,000)
Profit After Taxation		(33,02,448)	3,71,740
Balance from Last Year		(5,53,564)	(9,25,304)
<b>Balance Carried To Balance Sheet</b>		<b>(38,56,013)</b>	<b>(5,53,564)</b>
Statement of Significant Accounting Polices	7		
Notes on Accounts & EPS	7		
Cash Flow Statement	8		

As per my report of even date attached

V. S. Maydeo : Executive Director  
N.L. Patil : Director  
M.D. Deshpande : Director

Anand S Daga  
Chartered Accountant  
Nashik : 24<sup>th</sup> June, 2009

Nashik : 24<sup>th</sup> June, 2009

# SINNAR BIDI UDYOG LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009.

	31.3.2009 RUPEES	31.3.2009 RUPEES	31-3.2008 RUPEES
<b>SCHEDULE - A</b>			
<b>Share Capital</b>			
Authorised			
2,00,000 Equity Shares of Rs.10/- each		20,00,000	20,00,000
Issued, Subscribed And Paid-up			
2,00,000 Equity Shares of Rs.10/- each fully paid		20,00,000	20,00,000
		<u>20,00,000</u>	<u>20,00,000</u>
<b>SCHEDULE - B</b>			
<b>Reserves And Surplus</b>			
General Reserve No.1:			
As Per Last Balance-Sheet	32,75,000		32,75,000
Add : Set Aside This Year	<u>—</u>		<u>—</u>
		32,75,000	32,75,000
General Reserve No.2:			
As Per Last Balance-Sheet	1,69,26,000		1,69,26,000
Add : Set Aside This Year	<u>—</u>		<u>—</u>
		1,69,26,000	1,69,26,000
Reserve For Bad And Doubtful Advances:			
As per Last Balance Sheet	<u>69,000</u>		<u>69,000</u>
		69,000	69,000
Profit And Loss Account		(38,56,013)	(5,53,564)
		<u>1,64,13,987</u>	<u>1,97,16,436</u>
<b>SCHEDULE - C</b>			
<b>Unsecured Loans</b>			
Fixed Deposits ( Repayable within One year Rs.13,96,000/-, Previous Year Rs.15,78,983/-)		13,96,000	15,78,983
		<u>13,96,000</u>	<u>15,78,983</u>

# SINNAR BIDI UDYOG LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009.

### SCHEDULE - D

#### Fixed Asset

(Amount in Rs.)

	GROSS BLOCK			DEPRECIATION					NET BLOCK		
	As at 1.4.2008	Additions During The Year	Deductions & Transfers During The Year	As at 31.3.2009	As at 1.4.2008	For the year	Written Back	Total upto 31.3.2009	Impairment Loss	As at 31.3.2009	As at 31.3.2008
Trade Mark	8,370	Nil	Nil	8,370	Nil	Nil	Nil	Nil	Nil	8,370	8,370
Freehold Land	6,70,388	Nil	Nil	6,70,388	Nil	Nil	Nil	Nil	Nil	6,70,388	6,70,388
Buildings	1,09,18,739	Nil	32,215	1,08,86,524	48,30,111	3,03,636	10,048	51,23,699	15,066	57,47,759	60,88,628
Plant And Machinery	13,15,600	Nil	24,193	12,91,407	10,31,356	39,415	16,348	10,54,423	96,980	1,40,004	2,84,244
Electric Installation	6,76,644	1,11,824	Nil	7,88,468	5,43,461	22,793	Nil	5,66,254	Nil	2,22,214	1,33,183
Furniture & Fixture	39,97,195	Nil	Nil	39,97,195	35,79,503	76,722	Nil	36,56,225	18,429	3,22,541	4,17,692
Office Equipments	37,90,979	Nil	Nil	37,90,979	33,79,309	60,165	Nil	34,39,474	1,30,876	2,20,629	4,11,670
Vehicles	62,084	Nil	Nil	62,084	48,855	3,425	Nil	52,280	90	9,714	13,229
<b>Total</b>	<b>2,14,39,999</b>	<b>1,11,824</b>	<b>56,408</b>	<b>2,14,95,415</b>	<b>1,34,12,595</b>	<b>5,06,156</b>	<b>26,396</b>	<b>1,38,92,355</b>	<b>2,61,441</b>	<b>73,41,619</b>	<b>80,27,404</b>
Previous Year	2,08,76,831	10,60,440	4,97,272	2,14,39,999	1,32,35,843	4,97,903	3,21,151	1,34,12,595	Nil	80,27,404	76,40,988

# SINNAR BIDI UDYOG LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009.

				31.3.2009	31.3.2009	31.3.2008
				RUPEES	RUPEES	RUPEES
<b>SCHEDULE -E</b>						
<b>Investments</b>						
<b>Long Term, Non Trade, At Cost.</b>						
<b>A) Fully Paid-up Equity Shares in Companies</b>						
	Numbers		Face Value	Company		
	<u>31-03-2009</u>	<u>31-03-2008</u>	<u>Rupees</u>			
i)	<b>Quoted Shares</b>					
	10	10	10	Britannia Industries Ltd	6,700	6,700
	1	1	10	Castrol India Ltd.	240	240
	300	300	1	Dabur India Ltd.	6,500	6,500
	100	100	1	Fresenius Kabi Oncology Ltd. (Formerly - Dabur Pharma Ltd.)	0	0
	10	10	10	Merck (India) Ltd	4,700	4,700
	100	100	1	Hindustan Lever Ltd.,	21,500	21,500
	10	10	5	Novartis India Ltd.	3,250	3,250
					42,890	42,890
ii)	<b>Unquoted Shares</b>					
	60,600	60,600	10	Rasbihari Enterprises Ltd.	15,90,653	15,90,653
	2,000	2,000	10	Shrirang Bidi Pvt. Ltd	20,000	20,000
	1,400	1,400	100	Kiran Ayurvedic Products Private Ltd.	2,15,750	2,15,750
	46,500	46,500	10	Shrirang Tobacco Proces. Ltd.	4,65,842	4,65,842
	4,199	4,199	10	Snow Valley Hotels Pvt. Ltd.	41,990	41,990
	25,550	25,550	10	Yogi Ayurvedic Product Pvt. Ltd.	2,56,603	2,56,603
	39,590	39,590	10	Vidarbha Bidi Ltd.	4,68,419	4,68,419
	22,800	22,800	10	Kay Bee Food Products Pvt. (Nashik) Ltd.	2,29,140	2,29,140



# SINNAR BIDI UDYOG LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009.

				31.3.2009	31.3.2009	31.3.2008
				RUPEES	RUPEES	RUPEES
3,650	3,650	100	Tip Top Health Zone Pvt. Ltd.	8,77,352		8,77,352
490	490	100	STS Exports Ltd.	49,245		49,245
1,250	1,250	100	Trustworthy Trade & Transport Pvt. Ltd.	1,25,625		1,25,625
2,825	2,825	10	Pashupatinath Tobacco Products Pvt. Ltd.	28,250		28,250
100	100	5	Syngenta India Ltd.	<u>7500</u>		<u>7500</u>
					43,76,369	43,76,369
<b>B) Others Unquoted</b>						
		Ordinary Share in				
800	800	25	Shrilekha Nagari Sahakari Adhikosh Ltd.	20,000		20,000
**	**		National Saving Certificates	<u>16,000</u>		<u>16,000</u>
					36,000	36,000
				<u><b>44,55,259</b></u>		<u><b>44,55,259</b></u>

### NOTES

#### Quoted Investments

Cost	42,890	42,890
Market Value	78,566	1,42,964

#### Un-quoted Investments

Cost	43,96,369	43,96,369
Aggregate Face Value of Shares	27,40,900	27,40,900

\*\* Includes, Security lodged with Sales Tax / Excise Authorities

# SINNAR BIDI UDYOG LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009.

	31.3.2009 RUPEES	31.3.2009 RUPEES	31.3.2008 RUPEES
<b>SCHEDULE - F</b>			
<b>Current Assets</b>			
Interest Accrued		3,81,910	55,616
Stocks (As per inventory certified by the Directors)			
Raw Materials, At Cost	64,91,578		5,63,508
Packing Materials and Stores, At Cost	Nil		9,891
Finished Goods, At Lower of Cost or Selling Price	1,22,69,794		Nil
		1,87,61,372	5,73,399
Sundry Debtors			
Unsecured, Considered Good within Six Months	7,64,804		42,80,419
Above Six Months	4,570		58,14,747
		7,69,374	1,00,95,166
Cash And Bank Balances			
Cash on Hand	29,438		33,152
With Scheduled Banks			
In Current Accounts	24,10,497		1,00,16,206
In Fixed Deposit Accounts	49,51,546		1,09,23,502
With Shrilekha Nagari Sahakari Adhikosh Ltd. (Refer Schedule 7 Note 9 )			
In Saving Account	597		5,049
		73,92,078	2,09,77,909
		<b>2,73,04,734</b>	<b>3,17,02,090</b>

# SINNAR BIDI UDYOG LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009.

	31.3.2009 RUPEES	31.3.2009 RUPEES	31.3.2008 RUPEES
<b>SCHEDULE - G</b>			
<b>Loans And Advances</b>			
Unsecured			
Advances recoverable in cash or kind or for value to be received			
Others			
Considered good	2,11,308		2,17,494
Advance Income Tax (Net)	<u>8,47,200</u>		<u>4,86,819</u>
		10,58,508	<u>7,04,313</u>
Deposits			
		<u>7,59,004</u>	<u>7,47,354</u>
		<b><u>18,17,512</u></b>	<b><u>14,51,667</u></b>

## SCHEDULE - H

### Current Liabilities And Provisions

#### Other Current Liabilities

Sundry Creditors For Capital Expenditure,			
Material & Other Expenses	6,73,273		42,40,901
Advances Received	Nil		6,070
Provisions	2,24,65,686		1,95,89,389
Interest Accrued But Not Due on Deposits	Nil		59,310
Unclaimed Dividend	<u>37,178</u>		<u>50,331</u>
		2,31,76,137	<u>2,39,46,001</u>
		<b><u>2,31,76,137</u></b>	<b><u>2,39,46,001</u></b>

# SINNAR BIDI UDYOG LIMITED

## SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009.

	2008-2009 RUPEES	2007-2008 RUPEES
<b>SCHEDULE - 1</b>		
<b>OTHER INCOME</b>		
Processing Charges Received	23,91,255	21,00,868
Profit on Sale of Raw Material	1,244	47,388
Interest (T.D.S.Rs. 1,86,891/-, Previous Year 6,623/-)	8,22,028	48,140
Dividend Received	2,400	2,360
Rent Received	2,82,000	3,42,000
Profit on Sale of Assets	4,18,671	1,73,879
Scrap Sales, Profit on Sale of By Products, Sundry Receipts, etc.	9,23,690	11,55,615
	<b>48,41,288</b>	<b>38,70,250</b>
<b>SCHEDULE - 2</b>		
<b>VARIATION IN STOCK OF FINISHED GOODS</b>		
Opening Stocks	Nil	27,81,769
Closing Stocks	1,22,69,794	Nil
	<b>1,22,69,794</b>	<b>(27,81,769)</b>
<b>SCHEDULE - 3</b>		
<b>RAW MATERIALS CONSUMED</b>		
Opening Stocks	5,63,508	107,75,936
Add : Purchases	1,83,13,623	16,43,581
	1,88,77,131	1,24,19,517
Less: Sales Consumption	4,50,174	8,27,578
Less : Closing Stocks	64,91,578	5,63,508
	<b>1,19,35,379</b>	<b>1,10,28,431</b>

# SINNAR BIDI UDYOG LIMITED

## SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009.

	2008-2009	2007-2008
	RUPEES	RUPEES
<b>SCHEDULE - 4</b>		
<b>PACKING MATERIALS AND STORES CONSUMED</b>		
Opening Stocks	9,891	9,891
Add : Purchases	Nil	Nil
	<u>9,891</u>	<u>9,891</u>
Less: Consumption / Expenses	9,891	Nil
Less: Closing Stocks	Nil	9,891
	<u>Nil</u>	<u>Nil</u>

### SCHEDULE - 5

#### PAYMENTS TO AND PROVISIONS FOR EMPLOYEES

Salaries, Wages, Bonus, Gratuity and Ex-gratia	22,63,676	36,56,908
Contribution to Provident Fund and Other Funds	64,839	91,576
Welfare Expenses	9,229	40,142
	<u>23,37,744</u>	<u>37,88,626</u>

# SINNAR BIDI UDYOG LIMITED

## SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009.

	2008-2009 RUPEES	2007-2008 RUPEES
<b>SCHEDULE - 6</b>		
<b>OTHER EXPENSES</b>		
Rent	2,49,800	49,000
Rates and Taxes	1,16,641	1,86,910
Insurance	52,747	85,390
Repairs and Maintenance	2,05,562	4,47,792
Transport, Coolie And Cartages	1,95,828	2,30,997
Vehicle Expenses	Nil	1,42,573
Travelling and Conveyance	1,67,582	2,06,277
Electricity Charges	7,22,395	6,92,014
Legal and Professional	2,86,306	3,44,758
Printing and Stationery	28,576	26,164
Postage and Telephone Expenses	92,000	72,650
Office Expenses	98,666	1,12,515
Bank Commission	56,217	35,148
Loss On Sales of Assets	6,645	Nil
Impairment Loss	2,61,441	Nil
Other Expenses (Including Filing Fees, Listing Fee, Membership & Subscription, Factory Exp, etc.)	48,171	70,803
	<b>25,88,577</b>	<b>27,02,991</b>

# SINNAR BIDI UDYOG LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009 AND OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.

	2008-2009	2007-2008
	RUPEES	RUPEES
<b>SCHEDULE - 7</b>		
NOTES FORMING PART OF BALANCE SHEET AS AT 31 <sup>ST</sup> MARCH, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE		
1. Contingent Liabilities ( Rs. Lacs)		
Claims against the Company not acknowledged as debts :		
a) Escrow Fund Matter	19.01	14.91
b) Labour / ESIC Matters	9.97	9.89
c) Corporate Guarantee given to State Bank of India against Loan taken by City Centre Mall (Nashik) Pvt. Ltd. (Guarantee of Rs. 5700 Lacs was upto 19.11.2008)	Nil	5700.00
	28.98	5724.80
2. A) The company has established a separate Gratuity Fund Trust to take care of the Gratuity Liability of its employees. It is informed that against the accrued gratuity liability as on 31st March, 2009 ascertained by the company of Rs. 18 lacs (Previous year Rs.20 lacs) the Gratuity Fund Trust has sufficient investments to meet the entire liability. Therefore, no provision for gratuity is made in the accounts during the current year.		
B) This liability takes into account the sum that would have been payable as gratuity to all the eligible employees as on the last day of the financial year as per the Payment of Gratuity Act, 1972 in the absence of Actuarial valuation as per Accounting Standard - 15 (Revised).		
C) Similarly the liability arising on account of accrued leave salary is provided for in the accounts which considers the sum that would have been payable to the eligible employees as on the last day of the financial year in absence of Actuarial Valuation as per Accounting Standards - 15.		
D) Looking at the small number of employees as on 31 <sup>st</sup> March 2009, the management is of the opinion that, the liability provided for in the books / funds available with the Gratuity Fund Trust are sufficient to cover these obligations.		
3. The Bidi's manufactured by the company were sold to Traders / Exporters, who used to export them to various countries. In earlier years, Bidi's sold to some such Traders / Exporters were exported by them to USA. As per the prevailing law in USA, the responsibility of depositing the amount in Escrow Deposit Fund (On account of sales of tobacco products in that country) was of the manufacturer of tobacco products.		
Accordingly, on the basis of demand raised against the company for non-fulfillment of this requirement - a sum of Rs. 172.08 Lacs was provided for in the books of the company upto 31st March 2009.		
During the current year no any fresh demand was made against the company. The current year figure of Rs. 37.08 Lacs represents foreign exchange loss on restatement of outstanding liability of escrow fund demand provision already made in earlier years.		
4. It is informed that Income Tax Assessments have been completed upto A Y 2006-07 & there are no any appeals pending.		
5. Amounts paid and/or payable to the Auditor for services rendered:		
Audit Fees	1,15,815	1,17,978
Certification Work / Other Misc.	59,552	17,045

# SINNAR BIDI UDYOG LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009 AND OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.

	2008-2009 RUPEES	2007-2008 RUPEES
6 Interest includes interest paid		
a) On Bank Borrowings (Working Capital)	Nil	7,07,273
b) On Term Loans	Nil	Nil
c) On Fixed Deposits	1,32,788	2,59,066
d) Other	Nil	7,044
	<b>1,32,788</b>	<b>9,73,383</b>
7 Deferred Tax Adjustment		
Deferred Tax Asset at the year end comprises of timing difference on account of: ( in Rs. Lacs)		
Depreciation	(8.64)	( 10.35)
Expenditure charged in accounts but not deductible for tax purpose, allowable on actual payment / Unabsorbed Losses & Depreciation as per Income Tax computation.	29.31	26.40
8 In respect of Shrilekha Nagari Sahakari Adhikosh Ltd. ( Co-op credit Society)		
Maximum balance during the year in Savings Account	7,540	5,049
9 The Company has not received any intemation from its supplier regarding their states under the Micro, Small and medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amount unpaid as at the year end as required under the said Act have not been furnished.		
10 Earning Per Share (EPS)		
Profit / (Loss) attributable to Equity Shareholders	(A) (33,02,448)	3,71,740
Basic / Weighted average nos. of Equity shares outstanding during the year	(B) 2,00,000	2,00,000
Nominal Value of Equity Shares		
Basic / (Diluted) Earning per share	(A/B) 10 (16.51)	10 1.86
11 Payment provided for or made during the year to Directors	2,74,016	67,992



# SINNAR BIDI UDYOG LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009 AND OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.

12. Segment Reporting:

- a) Primary Segment :  
The company considers Tobacco Products, and Tobacco as one business segment
- b) Secondary Segment :  
All the sales of the company are in the Indian Market and hence, there are no reportable geographical segments.

13. Impairment of Assets (AS:28) : Required provision is been made for impairment of fixed assets.

14. Contingent Liabilities & Contingent Assets (AS:29) : In the opinion of the management , no provision is required against contingent liabilities referred in Schedule 7, Note 1 on Contingent Liabilities.

15. Information pursuant to paragraphs 3, 4 C and 4 D of Part II of Schedule VI of the Companies Act, 1956.  
(As Certified by Management)

- a) Capacities, Production, Stocks and Sales of Bidis and Tobacco  
(Value Rupees in Lacs, Quantity of Tobacco in Tonnes)

	BIDIS		TOBACCO	
	<u>2008-2009</u>	<u>2007-2008</u>	<u>2008-2009</u>	<u>2007-2008</u>
Licensed Capacity	N.A.	N.A.	N.A.	N.A.
Installed Capacity	N.A.	N.A.	N.A.	N.A.
<b><u>Opening Stock</u></b>				
Quantity	Nil	Nil	Nil	68.30
Value	Nil	Nil	Nil	27.82
<b><u>Production</u></b>				
Quantity	Nil	Nil	211.01	310.77
<b><u>Purchase (Trading)</u></b>				
Quantity	Nil	Nil	67.41	Nil
<b><u>Transferred To Quality Control</u></b>				
Quantity	N.A.	N.A.	Nil	(0.09)
<b><u>Turnover</u></b>				
Quantity	Nil	Nil	65.91	379.16
Value	Nil	Nil	38.89	161.39
<b><u>Closing Stock</u></b>				
Quantity	Nil	Nil	212.51	Nil
Value	Nil	Nil	122.70	Nil

# SINNAR BIDI UDYOG LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009 AND OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.

	2008-2009 RUPEES	2007-2008 RUPEES
b) Raw Materials Consumed (Indigenous)		
<b>Bidi Leaves :</b>		
Quantity in Tonnes	Nil	Nil
Value	Nil	Nil
<b>Ready Tobacco (Trading) :</b>		
(Includes consumption for Sales)		
Quantity in Tonnes	65.91	Nil
Value	34.93	Nil
<b>Ready Tobacco (Produced) :</b>		
(Includes consumption for Sales)		
Quantity in Tonnes	Nil	1.19
Value	Nil	0.48
<b>Raw Tobacco :</b>		
(Includes consumption for Sales)		
Quantity in Tonnes	349.99	362.27
Value	162.96	107.41
<b>Thread:</b>		
(Includes consumption for Sales)		
Quantity in Thok	520.00	Nil
Value	0.07	Nil
c) Value of Imported and Indigenous Materials Consumed		
<b>Raw Materials</b>		
Imported	Nil	Nil
Indigenous (Rupees Lacs)	119.35	110.28
Percentages	100%	100%
<b>Packing Materials And Stores</b>		
Imported	Nil	Nil
Indigenous (Rupees Lacs)	0.10	Nil
Percentages	100%	N.A.
16. Earning & Expenditure in Foreign Currency	Nil	Nil

# SINNAR BIDI UDYOG LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009 AND OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.

2008-2009

RUPEES

17. RELATED PARTY DISCLOSURES :  
RELATED PARTIES WITH WHOM THE COMPANY HAD TRANSACTIONS, ETC

(i) Associates / Entities in which Promoters are able to exercise significant influence :

1. Rasbihari Enterprises Ltd.
2. Vidarbha Bidi Ltd.
3. Yogi Ayurvedic Products Pvt. Ltd.
4. Tip Top Health Zone Pvt. Ltd.
5. STS Exports Ltd
6. Trustworthy Trade & Transport Pvt. Ltd.
7. M/s. S.K. Sarda
8. Shrirang Tobacco Processors Ltd .
9. Shrirang Bidi Pvt. Ltd .
10. Kay Bee Food Products ( Nashik) Pvt. Ltd .
11. Kiran Ayurvedic Products Pvt. Ltd .
12. Snow Valley Hotels Pvt. Ltd.
13. Pashupatinath Tobacco Prod. Pvt. Ltd .
14. Sungrowth Manpower Services Pvt. Ltd.
15. City Centre Mall (Nashik) Pvt.Ltd.

(ii) Relatives / Members of Promoter Group :

1. Shri. K. B. Sarda.
2. Sau. K.K.Sarda.
3. Shri. S. K. Sarda .
4. Sau. S.S.Sarda.

(iii) Key Management Personnel :  
Shri. V. S. Maydeo

Sr No.	Nature of Transaction ( Excluding reimbursement) :	(Rs.)
--------	--	-------

**1. Income / Receipts**

Sales	Nil
Other Income	26,17,083
Sales of Asset	4,40,838

**2. Expenditure / Payments**

Raw Material Purchase / Trading Items Purchase	2,09,71,447
Payments to and Provisions for Employees	2,74,016
Other Expenses (Rent)	2,49,800

**3. Closing Balances**

**Assets**

Sundry Debtors	5,63,042
Investment	43,68,869
Security Deposit	2,85,000

**Liabilities**

Other Payables	Nil
----------------	-----

18. Figures for the previous year have been regrouped wherever considered practicable and necessary.

# SINNAR BIDI UDYOG LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009 AND OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009.

### 19. SIGNIFICANT ACCOUNTING POLICIES

#### A) Accounting Convention / Method of Accounting.

The Financial Statements are prepared under Historical Cost Convention in accordance with generally accepted accounting principles and provisions of Companies Act, 1956. Accounts are kept on accrual basis and according to the double entry system. Sales are recognised on despatch of goods to customers. Dividend Income on Investments is accounted for when received.

#### B) Fixed Assets

- i) Fixed Assets are stated at cost less depreciation, cost being comprised of cost of acquisition and expenditure directly attributable for commissioning of the assets.
- ii) Depreciation is provided on Written Down Value Method and at the rate and in the manner specified in Schedule XIV of the Companies Act 1956.

#### C) Investments

Long Term Investments are stated at cost

#### D) Current Assets

##### a) Stocks

Raw materials, Traded Items and Finished Goods are valued at lower of monthly weighted average cost and net realisable value. Cost of finished goods include cost of material, cost of conversion and labour.

##### b) Book Debts, Advances & Deposits

Balances considered irrecoverable are written-off and those considered doubtful are provided for.

#### E) Employee/Retirement Benefits

Retirement Benefits to employees are provided for by payments to Gratuity and Provident Funds. The gratuity liability is

determined on the basis laid down under Employees Approved Gratuity Fund Scheme which takes into account the sum that would have been payable as gratuity to all the eligible employees on the last day of the financial year.

Liability arising on account of accrued leave salary payable is provided in the accounts. The same is worked out on the basis of the amount that would have been payable as leave encashment to all the eligible employees on the last day of the financial year.

#### F) Foreign Currency Liability

Monetary items denominated in foreign currency as at the Balance Sheet date are converted at exchange rates prevailing on that date. Exchange differences are recognised in the Profit and Loss Account.

#### G) Taxation

##### a) Current Year Charges

Provision for tax is based on the amount of tax payable in respect of estimated taxable income as determined under Income Tax Act 1961.

Fringe Benefit Tax provision is made on the basis of estimated liability for the year as ascertained by the Management under the provisions of Income Tax Act, 1961.

##### b) Deferred Tax

The Deferred Tax resulting from timing difference between the book and taxable profits for the year is accounted for, using the tax rates and laws that have been substantially enacted as of the balance sheet date.

Deferred tax assets arising from timing difference are recognised to the extent there is reasonable certainty that these would be realised in future.

#### H) Contingent Liabilities

Contingent Liabilities are disclosed in the accounts by way of note .

# SINNAR BIDI UDYOG LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009 AND OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.

### 20. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE (PURSUANT TO PART IV SCHEDULE VI TO THE COMPANIES ACT, 1956.)

#### I) REGISTRATION DETAILS

Registration No. :	17734
State Code :	11
Balance Sheet Date :	31 <sup>st</sup> March 2009

#### II) CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue :	Nil
Right Issue :	Nil
Bonus Issue :	Nil
Private Placement :	Nil

#### III) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Liabilities :	19,810
Total Assets :	19,810

#### Sources of Funds

Paid up Capital :	2,000
Reserves & Surplus :	16,414
Secured Loans :	Nil
Unsecured Loans :	1,396

#### Application of Fund

Net Fixed Assets :	7,342
Investments :	4,455
Net Current Assets	5,946
Deferred Tax (Net)	2,067

#### IV) PERFORMANCE OF COMPANY (Amount in Rs. Thousand)

Turnover / Other Income	8,730
Total Expenditure :	12,512
Profit/(Loss) Before Tax :	(3,782)
Profit/(Loss) After Tax :	(3,302)
Earning Per Share (Rs.)	(16.51)
Dividend Rate % :	—

# **SINNAR BIDI UDYOG LIMITED**

## **SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009 AND OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.**

31.3.2009	31.3.2008
RUPEES	RUPEES

### **GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/ SERVICES OF COMPANY (AS PER MONETARY TERMS)**

Item Code No. (ITC Code)	240439
Product Description	Tobacco Processing
Item Code (ITC Code)	
Product Description	Tobacco Products
Item Code No. (ITC Code)	
Product Description	NA

SIGNATURES TO SCHEDULES "A" TO "I" AND "1" TO "7".

FOR AND ON BEHALF OF THE BOARD.

V. S. Maydeo : Executive Director

N. L. Patil : Director

M. D. Deshpande : Director

Nashik : 24<sup>th</sup> June , 2009

# SINNAR BIDI UDYOG LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009.

	2008-2009	2007-2008
	RUPEES	RUPEES
<b>SCHEDULE - 8</b>		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax and Extraordinary Items	(37,82,083)	(5,92,260)
<b>ADJUSTMENTS FOR :</b>		
Depreciation (Including Impairment)	7,67,598	4,97,903
(Gain)/ Loss on Sales of Fixed Assets (Net)	(4,12,027)	(1,73,879)
(Gain-)/ Loss On Sales of Investments	Nil	Nil
Adjust. Relating to Earlier Year (Net) / Extra Ordinary Items	37,08,515	(11,71,999)
Interest Paid	1,32,788	9,73,383
Interest Received	(8,22,028)	(48,140)
Dividend Received	(2,400)	(2,360)
Operating Profit Before Working Capital Changes	<u>(4,09,637)</u>	<u>(5,17,352)</u>
<b>ADJUSTMENTS FOR :</b>		
Trade and Other Receivable	89,94,034	1,69,80,407
Inventories	(1,81,87,973)	1,29,94,197
Trade Payable	(7,69,864)	13,62,730
Cash Generated from Operations	<u>(1,03,73,440)</u>	<u>3,08,19,982</u>
Interest Paid	(1,32,788)	(9,73,383)
Direct Taxes Refund / ( Paid ) Net	(3,42,746)	(1,22,893)
Cash Flow Before Extra Ordinary Items	(1,08,48,974)	2,97,23,706
Extra Ordinary Items	(37,08,515)	11,71,999
<b>Net Cash from / (used in) Operating Activities (A)</b>	<u>(1,45,57,489)</u>	<u>3,08,95,705</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,11,824)	(10,60,440)
Sale of Fixed Assets	4,42,038	3,50,000
Sale of Investment	Nil	Nil
Interest Received	8,22,028	48,140
Dividend Received	2,400	2,360
<b>Net Cash from / (used in) Investing Activities (B)</b>	<u>11,54,642</u>	<u>(6,59,940)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Repayment of Borrowing	(1,82,983)	(96,26,519)
Repayment of Loans	Nil	Nil
Dividends Paid (including tax thereon)	Nil	Nil
<b>Net Cash from / (used in) Financing Activities (C)</b>	<u>(1,82,983)</u>	<u>(96,26,519)</u>
<b>Net Cash Inflow/ (Outflow) (A)+(B)+(C)</b>	<u>(1,35,85,831)</u>	<u>2,06,09,246</u>
Cash and Cash Equivalents as at 01.04.2008		
(Opening Balance) (D)	<u>2,09,77,909</u>	<u>3,68,663</u>
Cash and Cash Equivalents as at 31.03.2009		
(Closing Balance) (E)	<u>73,92,078</u>	<u>2,09,77,909</u>
Net Increase / (Decrease) In Cash		
Cash Equivalents (E) - (D)	<u>(1,35,85,831)</u>	<u>2,06,09,246</u>

V. S. Maydeo : Executive Director  
N. L. Patil : Director  
M. D. Deshpande : Director

### AUDITORS' CERTIFICATE

I have examined the above Cash Flow Statement of SINNAR BIDI UDYOG LIMITED for the year ended 31<sup>st</sup> March, 2009. The Statement has been prepared by the Company in accordance with the requirements of listing agreement (Clause 32) with Mumbai Stock Exchange and is based on and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by my report dated 24<sup>th</sup> June, 2009 to the members of the company.

Nashik  
24<sup>th</sup> June, 2009.

Anand S Daga  
Chartered Accountant

# SINNAR BIDI UDYOG LIMITED

FLAT NO. 10, SUMER KENDRA, PANDURANG BUDKAR MARG, NEAR WORLI, T.V. CENTRE, BEHIND  
MAHENDRA TOWERS, MUMBAI - 400 030.

## PROXY FORM

Ref. : Ledger Folio :

I / We \_\_\_\_\_ of \_\_\_\_\_

being a member / members of **Sinnar Bidi Udyog Limited** do hereby appoint

\_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

or falling him \_\_\_\_\_ of \_\_\_\_\_

as my / our proxy to attend and to vote for me/ us on my / our behalf at the 35<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, the 15<sup>th</sup> September 2009, at 1.30 p.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009

Affix one  
Rupee  
Revenue  
Stamp

Signature

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N. B. : Any member entitled to attend and to vote at the Meeting is entitled to appoint one or more proxies to attend and to vote instead of himself and the Proxy need not be member. This form duly completed should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.