

# Sinnar Bidi Udyog Limited

**Registered Office:** 202 2nd Floor Terminal - 9 75 Nehru Road Vile Parle East Mumbai 400099

**CIN:** L16002MH1974PLC017734

**Telephone:** (0253) 2594231 (3 Lines) **Fax:** 2595698

**Email:** investor@sinnarbidi.com **Website:** www.sinnarbidi.com

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Date: 22<sup>nd</sup> September 2020

The Manager,  
Corporate Relationship Department,  
BSE Limited,  
Phiroze Jeebhoy Towers,  
Dalal Street, Mumbai – 400001

Script Code: - 509887

**Subject: Annual Report for the financial year 2019-20 and Notice convening 46<sup>th</sup> Annual General Meeting**

Pursuant to Regulation 30 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the Financial Year 2019-20 along with Notice convening the 46<sup>th</sup> Annual General Meeting scheduled to be held on Thursday, 15<sup>th</sup> October, 2020 at 12.00 noon. through Video Conferencing/ Other Audio-Visual Means (VC/OAVM), as per the framework issued by the Ministry of Corporate Affairs (MCA) vide General Circular No. 20/2020 dated 05<sup>th</sup> May, 2020 read with General Circular No. 14/2020 dated 08<sup>th</sup> April, 2020, and also General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020.

Further, the Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 8<sup>th</sup> October 2020 to Thursday, 15<sup>th</sup> October, 2020 (both days inclusive) for the purpose of Annual General Meeting.

The Company is providing electronic voting (e-voting) facility to the members through electronic voting platform of National Securities Depository Limited (NSDL). Members holding shares either in physical or demat mode as on the cut-off date i.e. Wednesday, 7<sup>th</sup> October, 2020 may cast their votes electronically on the businesses set out in the Notice of Annual General Meeting. The e-voting shall commence from 9.00 a.m. on Sunday, 11<sup>th</sup> October 2020 and shall end at 5.00 p.m. on Wednesday, 14<sup>th</sup> October, 2020. The Annual Report for the FY 19-20 is also available on the Company's website at [www.sinnarbidi.com](http://www.sinnarbidi.com). This is for the information of the exchange and the members.

Kindly take the above on your records and acknowledge receipt.  
Thanking you.

**For Sinnar Bidi Udyog Limited**

PRATIKSHA SURESH SHAH  
Digitally signed by  
PRATIKSHA SURESH  
SHAH  
Date: 2020.09.22  
20:42:29 +05'30'

**Pratiksha Shah**  
**Company Secretary & Compliance Officer**

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



**46<sup>th</sup>**  
**ANNUAL REPORT**  
**2019-20**

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# **46<sup>th</sup> ANNUAL REPORT 2019-20**

## **BOARD OF DIRECTORS**

- ⌘ **Madhav Deshpande** Whole Time Director & CFO
- ⌘ **Bhausahab Pawar** Director
- ⌘ **Laxminarayan Karwa** Director
- ⌘ **Bharti Sancheti** Director
- ⌘ **Mansur Khan** Independent Director
- ⌘ **Rajendra Tatiya** Independent Director

## **AUDITORS**

- ⌘ **M/S SABADRA & SABADRA**  
Chartered Accountants  
Nashik - 422 002.

## **BANKERS**

- ⌘ **STATE BANK OF INDIA**  
Nashik

## **REGISTERED OFFICE**

- ⌘ 202, 2nd Floor, Terminal 9-75,  
Nehru Road, Vile Parle (East),  
MUMBAI - 400 099

## **ADMINISTRATIVE OFFICE**

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

# **SINNAR BIDI UDYOG LIMITED**

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**Email:** investor@sinnarbidi.com **Website:** www.sinnarbidi.com

## **NOTICE OF THE MEETING**

**NOTICE** is hereby given that the 46<sup>th</sup> Annual General Meeting ('AGM') of the members of Sinnar Bidi Udyog Limited will be held via Video Conferencing ('VC') facility or other audio visual means ('OAVM') on Thursday, the October 15, 2020 at 12:00 noon to transact the following business:

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the audited financial statements (both standalone and consolidated financial statements) of the Company for the financial year ended 31<sup>st</sup> March 2020 and the reports of Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Madhav Digambar Deshpande (DIN: 00238917), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Ms. Bharati Subhash Sancheti (DIN: 06983828), who retires by rotation and being eligible offers herself for re-appointment.

### **SPECIAL BUSINESS:**

4. **Regularization of Additional Director, Mr. Mansur Mheboob Khan (DIN: 00155141), by appointing him as an Independent Director of the Company**

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

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with schedule IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), consent of the members of the company be and is hereby accorded, to regularise the appointment of Mr Mansur Mheboob Khan (DIN: 00155141) from Additional Director (**Non-Executive & Independent**) to Independent Director (**Non-Executive & Independent**) to hold office for a term of 5 consecutive years w e f 30<sup>th</sup> March 2020.”

**“RESOLVED FURTHER THAT** the Directors of the company be and are hereby severally authorized to sign and execute all such documents and papers (including appointment letter etc.) as may be required for the purpose and file necessary e-form with the Registrar of Companies and to do all such acts, deeds and things as may considered expedient and necessary in this regard.”

**Notes :**

1. An Explanatory Statement setting out all the material facts of Special Business to be transacted in compliance with Section 102 of the Companies Act, 2013 and Rules made thereunder is annexed to and forms a part of the Notice along with relevant details, pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (ICSI), in respect of a Director seeking appointment at this Annual General Meeting is annexed.
2. At the 44th Annual General Meeting held on 11th September 2018 the Members approved appointment of Sabadra & Sabadra, Chartered Accountants, Nashik (Firm Registration No. 108921W) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 49th AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been omitted by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for the ratification of the appointment of the Statutory Auditors at this Annual General Meeting.
3. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the EGM/AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.
4. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

8. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.sinnarbidi.com](http://www.sinnarbidi.com). The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
9. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
10. General instructions for members are as under –
  - a. The Register of Members and Share Transfer Book of the Company will remain closed from 8<sup>th</sup> October 2020 to 15<sup>th</sup> October, 2020 (both days inclusive).
  - b. The Company has always encouraged the Members to register their email ID and phone numbers for ease of communication between the Company and the Members. The Members who have not yet registered their email addresses are requested to do so with their Depository Participants (DPs) in case the shares are held by them in electronic form, and with the Registrar & Transfer Agent, Link Intime India Private Limited in case the shares are held by them in physical form.
  - c. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”), securities of listed companies can only be transferred in dematerialised form with effect from April 1, 2019, except in case of transmission or transposition of securities. 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.
  - d. If your address or bank details have changed, the Members who hold their shares in physical form are requested to inform the Company's Registered Office immediately of the change along with their ledger folio number. The Members who hold shares in electronic form are requested to update their DPs.
  - e. During the 46<sup>th</sup> AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon request made to Company Secretary at [investor@sinnarbidi.com](mailto:investor@sinnarbidi.com)
  - f. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in securities market. The Members holding shares in physical form can submit their PAN details to Link Intime India Private Limited or Company. The Members holding shares in dematerialised form are requested to submit their PAN details to their DPs with whom they are maintaining their Demat accounts.
  - g. The Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the Management to keep the information ready.
  - h. Since the AGM will be held through VC / OAVM, the Route Map, attendance slip, and Proxy Form is not annexed in this Notice.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

The remote e-voting period begins on October 11, 2020 at 9:00 A.M. and ends on October 14, 2020 at 5:00 P.M. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-off date of October 7, 2020 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter.

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

<b>Manner of holding shares i .e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***



4. Your User ID details are given below :
5. Your password details are given below :
  - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c. How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below **in process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password :
  - a. Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - b. **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.

3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [cssujata.rajebahadur@gmail.com](mailto:cssujata.rajebahadur@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to Ms. Pallavi Mhatre at [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in)/ 022-24994545

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investor@sinnarbidi.com](mailto:investor@sinnarbidi.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investor@sinnarbidi.com](mailto:investor@sinnarbidi.com)

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholder/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [investor@sinnarbidi.com](mailto:investor@sinnarbidi.com) The same will be replied by the company suitably.
6. Those shareholders who have registered themselves as a speaker on or before 13<sup>th</sup> October 5.00 pm, will only be allowed to express their views/ask questions during the meeting.
7. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

**Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013 :**

The following explanatory statement sets out all material facts relating to the special business as mentioned in the accompanying Notice:

Item No.4:

**Regularization of Additional Director, Mr. Mansur Mheboob Khan, by appointing him as an Independent Director of the Company:**

The Board, Pursuant to the recommendation received from Nomination & Remuneration Committee and pursuant to provisions of Section 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 & Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV of the said Act, (including any statutory modifications and re-enactment thereof, for the time being in force) in line with applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to approval of Members in ensuing Annual General Meeting, appointed Mr Mansur Mheboob Khan as an Additional Director ( Non Executive and Independent ) w e f 30<sup>th</sup> March 2020 for the term of 5 years. Since the appointment is required to be approved by Members in General Meeting the resolution has been placed before the Members.

The Nomination and Remuneration Committee has recommended Appointment of Mr. Mansur Mheboob Khan as an Independent Director of the company as he possesses appropriate skills, experience and knowledge.

None of the Directors / Key managerial Personnel of the Company- their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

**Details of the Directors seeking Appointment at the Forthcoming Annual General Meeting  
)In pursuance of Secretarial Standard - 2 on General Meetings)**

Name of Director	Mansur Mheboob Khan
Date of Birth	19 <sup>th</sup> September 1953 (Age: 66 years)
Date of Appointment	30 <sup>th</sup> March 2020
Expertise in specific functional areas	1. 30+ years' experience in Bidi business operations 2. Expertise in Labour Law related matters
Relationship with Other Directors/ Key Managerial Personnel	Not related with Directors or KMP
Directorship in other companies	Nil
Committee position held in other companies	Nil
No. of meetings of the Board attended during the year	Not applicable
No. of shares held: (a) Own (b) For other persons on a beneficial basis	Nil

**BOARDS' REPORT**

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

**Dear Shareholders,**

The Directors present the Annual Report of Sinnar Bidi Udyog Limited along with the audited financial statements for the financial year ended March 31, 2020. The consolidated performance of the Company and its Associates has been referred to wherever required.

**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 standalone financial results for the Financial Year 2019-20 are as under :

(Rupees in Lakhs)

	Standalone		Consolidated	
	F.Y. 2019-20	F.Y. 2018-19	F.Y. 2019-20	F.Y. 2018-19
Net Sales	547.70	555.36	547.70	555.36
Other Income	1.13	0.56	1.13	0.56
Total Income	548.84	555.92	548.84	555.92
Manufacturing & Other Expenses	571.85	575.96	571.85	575.96
Profit Before Tax & Extraordinary Items	(23.02)	(20.04)	(23.02)	(20.04)
Exceptional & Extraordinary Items	0	0	0	0
Profit / (Loss) after Exceptional & Extraordinary Items	(23.02)	(20.04)	(23.02)	(20.04)
Current and Deferred Tax	(0.18)	(0.74)	(0.18)	(0.74)
Profit / (Loss) After Tax	(22.84)	(22.78)	(22.84)	(22.78)
Other Comprehensive Income	0.20	0.04	0.20	0.04
Profit / (Loss) After Other Comprehensive Income	(22.63)	(20.74)	(22.63)	(20.74)

**3. Business Operations :**

The company carried on the activities of trading of Tobacco and processing of Tobacco during the financial year ended 31 March 2020. The Company's working for the year has resulted in a loss, as seen from the above summary. The Loss is primarily on account of decreasing sales turnover and fixed cost/overheads remaining the same, thus impacting the margins. The sales turnover reduced from Rs. 555.35 lakhs of the previous financial year to Rs.547.70 lakhs for the financial year 2019-20. The downward trend in the turnover of the Company since past three years continued in this year also. This is mainly attributed to the basic nature of the industry in which the company operates. The market situation at present and also in near future is not conducive to the tobacco products in which the company deals. In addition to the stringent regulations on the tobacco industry, the company experienced business slowdown during the period under review.

**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:****Impact of COVID**

The lockdowns and restrictions imposed on various activities due to COVID – 19 pandemic have posed challenges on all the business operations of the Company. The Company's operations were hit substantially from 25th March 2020 till the 22<sup>nd</sup> May 2020, when lockdown was gradually lifted. Manufacturing facilities (factory), Branch Office and admin office were fully shut during such period.

With the lifting of the lockdown restrictions, the Company has started manufacturing activities from 23<sup>rd</sup> May, 2020. However production ramp up will be based on current inventory levels and the Company's estimate of demand. In the short term, it is therefore expected that manufacturing activity will be below the normal.

The Company is not in a position to quantify the impact on operations but expects normalcy to be achieved. Customer sentiment pointing to reduced spends on discretionary items might impact demand for the Company's product. The drop in sales is also expected to impact profitability in the near term.

Although, it is not yet possible to ascertain the actual impact on profitability, both qualitatively and quantitatively yet the business of the Company is significantly impacted due to the lockdown. Simultaneously, the Company continued to incur fixed expenses which would impact the profitability of the Company.

**10. Board of Directors :**

The Composition of Board of Directors of the Company is in accordance with the Companies Act 2013. The details of changes in the composition of Board of Directors during financial year 2019-20 are as under :

Sr No	Name	Nature of Change	Date of Change
1	Mansur M Khan	Appointed as Additional Director (Non executive and Independent)	30 <sup>th</sup> March 2020
2	Dhanpal M Shah	Resigned as Director ( Non executive and Independent)	30 <sup>th</sup> March 2020

**11. Key Managerial Personnel:**

The following are the Key Managerial Personnel of the Company as on 31<sup>st</sup> March 2020:

1. Mr. Madhav D Deshpande: Chairman, Whole Time Director, CFO
2. Ms. Pratiksha S Shah: Company Secretary

Upon resignation of Mr. Sushil Laddha w e f 14<sup>th</sup> February 2019, the Company has designated Mr. Madhav D Deshpande as Compliance officer of the company till the appointment of Company Secretary.

The company on recommendation of Nomination and Remuneration Committee had appointed Ms. Pratiksha S Shah (Membership No - A57487) as Company Secretary w.e.f. 22<sup>nd</sup> April, 2019 and designated her as Compliance Officer of the Company.

**12. Meetings of Directors:**

During the financial year 2019-20, the Board of Directors of the Company met five times. 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- I*. The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

**13. Audit Committee:**

During the year 2019-20, the Board had Audit Committee, which was formulated in terms of the Provisions of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure requirements), 2015

The Composition of Audit Committee is as follows -

Sr No	Name of Director	Designation
1	Mr. Dhanpal Shah (Independent Director)	Chairman
2	Mr. Rajendra Tatiya (Independent Director)	Member
3	Mr. Madhav Deshpande (Whole time Director & CFO)	Member

The Audit Committee duly met four times in F.Y. 2019-20, details of which are attached to Boards Report as *Annexure- I*. Maximum interval between any two meetings did not exceed 120 days. The Board has accepted all the recommendations of Audit Committee.

Mr Dhanpal Shah ceased to be the Chairman and member of Audit Committee w e f 30<sup>th</sup> March 2020, as he resigned as the Director of the company. The Board of Director of the company then appointed Mr Mansur Khan, an Additional Independent Director of the company as Chairman of Audit Committee w e f 15<sup>th</sup> June 2020.

**14. Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee of the Board has been formulated in terms of the Provisions of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure requirements), 2015

The Composition of Nomination and Remuneration Committee during F Y 2019-20 is as follows –

Sr No	Name of Director	Designation
1	Mr. Rajendra Tatiya (Independent Director)	Chairman
2	Mr. Dhanpal Shah (Independent Director)	Member
3	Mr. Bhusaheb Pawar (Non Executive Director)	Member
4	Ms Bharti Sancheti (Non Executive Director)	Member

The Committee met twice in financial year 2019-20, details of which are attached to Boards Report as *Annexure- I*.

Mr Dhanpal Shah ceased to be the member of Nomination and Remuneration Committee w e f 30<sup>th</sup> March 2020, as he resigned as the Director of the company. The Board of Director of the company then appointed Mr Mansur Khan, an Additional Independent Director of the company as the member of Nomination and Remuneration Committee w e f 15<sup>th</sup> June 2020.

**15. Stakeholders Relationship Committee:**

During the year 2019-20, the Board had Stakeholders Relationship Committee which was formulated in terms of the Provisions of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure requirements), 2015

The Composition of Stakeholders Relationship Committee is as follows -

Sr No	Name of Director	Designation
1	Ms Bharti Sancheti (Non Executive Director)	Chairperson
2	Mr. Bhusaheb Pawar (Non Executive Director)	Member

The Committee met once in financial year 2019-20, details of which are attached to Boards Report as *Annexure- I*.

**16. Meeting of Independent Directors:**

A Separate meeting of Independent Directors of the Company was held on 14<sup>th</sup> February 2020 in terms of Schedule IV of the Companies Act 2013 details of which are attached to Boards Report as *Annexure- I*.

**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, Mr. Madhav Deshpande and Ms Bharati Sancheti, Directors of the company, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their 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. Share Capital:**

The Paid up share capital of the Company as on 31<sup>st</sup> March, 2020 was Rs.20,00,000.

During the financial year 2019-20 the company had sub – divided its equity shares. 1 equity share having face value of Rs.10 each fully paid up has been sub-divided into 2 equity shares having face value of Rs.5 each. Member's approval had been obtained through Extra ordinary general meeting held on 6<sup>th</sup> March,2019. Thus upon sub division Company's share capital is altered from 200000 equity shares of Rs.10 each to 400000 equity shares of Rs.5 each. The Company being a listed entity, Corporate Action for sub division was initiated on 31<sup>st</sup> July, 2019 which has been taken as record date for the sub – division of equity shares, by BSE where the shares of the company are listed.

Thus face value of shares of the company is changed to Rs 5 per share due to sub division of share capital of the company w e f 31<sup>st</sup> July 2019. Upon subdivision ISIN of the company is changed to INE896E01023.

**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 ploicy 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 creteria 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. Statutory Auditors:**

At the forty fourth AGM held on September 11, 2018 the Members approved appointment of Sabadra and Sabadra, Chartered Accountants (Firm Registration No. 108921W) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of forty fourth AGM till the conclusion of the forty ninth AGM.

**28. Statutory Audit Report:**

There are no adverse comments or remarks in the Statutory Audit Report provided by the auditors, Sabadra & Sabadra, Nashik, which require clarification from the directors. The Notes on financial statements are self-explanatory, and need no further explanation.

**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 qualification 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 2020.

**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*. The web link for extract is [www.sinnarbidi.com](http://www.sinnarbidi.com)

**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, 2020, 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, 2020 and of the loss 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 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 transactions 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*.

**37. Conservation of Energy, Technology, Foreign Exchange Earnings and Outgo:**

The Company has taken steps for conservation of energy at its processing plant and office premises. The activities of the Company offer less scope for absorption of Technology.

There was no foreign exchange earning or outgo during the financial year under consideration.

**38. Deposits:**

The company has not accepted any deposits in the financial year either from Members or public in terms of section 73 and 76 of the Companies Act 2013.

**39. Internal Complaints Committee:**

The Internal Complaints Committee constituted under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, has not received any cases/ compliants during the year.

**40. Internal Financial Control with reference to financial Statements:**

Your Company has an effective internal control system, which is constantly assessed and strengthened with new/revised standard operating procedures. The Audit Committee of the Company actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same.

**41. Corporate Governance:**

As per the Regulation 15(2) of the SEBI (LODR) Regulations 2015, as the paid up equity share capital and Net worth of the Company is less than the limits mentioned in the regulations, compliance under Regulation 27(2) of the SEBI (LODR) Regulations, 2015 is not applicable to the Company.

As such, the requirement for submitting report on Corporate Governance is not applicable to the Company and hence it does not form a part of this report.

**42. Change of Registered Office of the Company:**

The company for operational convenience shifted its Registered Office from Parekh Mahal, 2nd Floor, Room No. 62, Plot no.8-9, Lady Jamshedji Road, Sakharam Keer Marg, Mahim, Mumbai - 400016 to 202, 2nd Floor, Terminal – 9, 75 Nehru Road, Vile Parle East, Mumbai – 400099 w.e.f. 15th February 2020.

**43. Appreciation:**

Your Directors wish to place on record their appreciation for the contribution made by the employees at all levels but for whose hard work and support, your Company's achievements would not have been possible. Your Directors also wish to thank its customers, dealers, agents, suppliers, investors and bankers, Government and Non Government Authorities for their continued support and faith reposed in the Company.

**For and on Behalf of Board of Directors**

**Sinnar Bidi Udyog Limited**

**Madhav Deshpande**

**Chairman, Whole Time Director and CFO**

**DIN: 00238917**

**Date: 12<sup>th</sup> September 2020**

**Place: Nashik**

**Annexure 1  
Board Meeting Attendance**

Sr No	Dates of Meeting	Name of Director					Rajendra Nemichand Tatiya
		Madhav Digambar Deshpande	Bhausaheb Shukhadew Pawar	Bharati Subhash Sancheti	Laxminarayan Mohanlal Karwa	Dhanpal Motilal Shah	
1	22.04.2019	Yes	Yes	Yes	Yes	No	No
2	30.05.2019	Yes	Yes	Yes	Yes	Yes	No
3	14.08.2019	Yes	Yes	Yes	Yes	Yes	Yes
4	14.11.2019	Yes	Yes	Yes	Yes	Yes	Yes
5	14.02.2020	Yes	Yes	Yes	Yes	Yes	Yes

**Audit Committee Attendance**

Sr No	Dates of Meeting	Name of Director			Rajendra Nemichand Tatiya
		Madhav Digambar Deshpande	Dhanpal Motilal Shah		
1	30.05.2019	Yes	Yes	No	No
2	14.08.2019	Yes	Yes	Yes	Yes
3	14.11.2019	Yes	Yes	Yes	Yes
4	14.02.2020	Yes	Yes	Yes	Yes

**Nomination & Remuneration Committee**

Sr No	Dates of Meeting	Name of Director			
		Rajendra Nemichand Tatiya	Bharati Subhash Sancheti	Bhausahab Shukhadew Pawar	Dhanpal Motilal Shah
1	18.04.2019	Yes	Yes	Yes	No
2	09.03.2020	Yes	Yes	Yes	No

**Stakeholders Relationship Committee**

Sr No	Dates of Meeting	Name of Director	
		Bharati Subhash Sancheti	Bhausahab Shukhadew Pawar
1	14.02.2020	Yes	Yes

**Meeting of Independent Directors**

Sr No	Dates of Meeting	Name of Director	
		Dhanpal Motilal Shah	Rajendra Nemichand Tatiya
1	14.02.2020	Yes	Yes

**For Sinnar Bidi Udyog Limited**

**Madhav Deshpande**

**Laxminayan Karwa**  
**Director**  
**DIN: 00333020**

**Whole Time Director and CFO**  
**DIN: 00238917**

**Date: 12th September, 2020**  
**Place: Nashik**

**ANNEXURE 2**

**DISCLOSURE RELATING TO THE REMUNERATION OF DIRECTORS AND  
EMPLOYEES REMUNERATION:**

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 as follows:

- i) Ratio of remuneration of each director to the median employee's remuneration :  
Ratio of Remuneration paid to Whole Time Director & CFO Mr. Madhav Deshpande to the median remuneration of employees for the financial year: 46.65  
None of the other directors except the Whole Time Director mentioned above was paid any remuneration during the financial year.
- ii) The details regarding percentage increase in remuneration of each director, Chief Financial Officer, Company Secretary in the financial year:  
1. Mr. Madhav Deshpande – Whole Time Director and CFO: 4.63%.  
2. Ms Pratiksha Shah – Company Secretary: 0.15%.  
3. The Company has not paid any remuneration to other directors and has not appointed any other managerial personnel except above.
- iii) The percentage of increase in Median Remuneration of Employees is 30.44% in the financial year.
- iv) Number of Permanent Employees on the rolls of the Company is 54.

**Point no viii in Rule 5: Disclosure at this point is not applicable during the financial year 2019-20**

- xii) It is affirmed that the remuneration paid to the Whole Time Director and Company Secretary is in accordance with the remuneration policy of the Company.
- xiii) There is no employee who receives aggregate remuneration throughout the year in excess of Rs. 60 Lac.
- xiv) There is no employee who receives the remuneration in excess of Rs. 5 Lacs per month during the year.
- xv) No employee of the company along with his spouse and dependent children holds more than 2% of the equity share capital of the Company.

**For Sinnar Bidi Udyog Limited**

**Laxminarayan Karwa**

**Director**

**DIN: 00333020**

**Date: 12<sup>th</sup> September 2020**

**Place: Nashik**

**Madhav Deshpande**

**Whole Time Director and CFO**

**DIN: 00238917**

## **ANNEXURE 3**

### **NOMINATION AND REMUNERATION POLICY**

#### **1. INTRODUCTION:**

The Company considers the human resources as its invaluable assets. This policy on the nomination and remuneration of Directors, Key Managerial Personnel, (KMPs) and other employees have been formulated in compliances with section 178 of Companies Act, 2013 along with the applicable rules thereto and Clause 49 of the listing agreement, as amended from time to time in order to pay equitable remuneration to the Directors, KMPs, and the employees of the Company and to harmonise the aspirations of the human resources consistent with the goals of the Company.

#### **2. DEFINITIONS:**

**Remuneration** means any money, or its equivalent given or passed to any person for the services rendered by him and includes perquisites as defined under the Income Tax Act, 1961

**Key Managerial Personnel** means

- i. The Chief Executive Officer or the managing director or the manager or in their absence the Whole Time Director;
- ii. The Company Secretary;
- iii. The Chief Financial Officer
- iv. Such other person as may be prescribed.

**Senior Management** means the senior management personnel of the Company who are the members of its core management team excluding the Board of Directors including the Functional Heads.

**Committee** means the Nomination and Remuneration committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and the applicable listing agreement and / or regulations.

**Company** means the Sinner Bidi Udyog limited

**Board** means the Board of Directors of the Company

**Directors** means the Directors of the Company

**Independent Director** means the Director referred to in section 149(6) of the Companies Act, 2013 and the rules made thereunder.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and the Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

#### **3. OBJECTIVES AND PURPOSE OF THE POLICY:**

The objective of the policy is to ensure that

- i. The level and composition of remuneration is reasonable and sufficient to attract, retain, and motivate the directors of the quality required to run the company successfully;
- ii. Relationship of remuneration to performance to is clear and meets appropriate performance benchmarks;
- iii. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentives pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.



**4. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE:**

The Board has re-constituted the Nomination and Remuneration Committee of the Board on 31<sup>st</sup> March 2015. This is in line with the requirements under the Companies Act, 2013.

The Board has the authority to reconstitute this committee from time to time.

**5. ROLE OF THE COMMITTEE:**

- i. To guide the Board in relation to appointment and removal of the Directors, Key Managerial Personnel and senior management.
- ii. To formulate the criteria for evaluation of performance of all the directors on the Board.
- iii. To formulate the criteria for determining qualifications, positive attributes and independence of a director.
- iv. To recommend the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- v. To devise a policy on Board diversity.
- vi. To identify the persons who are qualified to be directors and the key managerial personnel in accordance with the criteria laid down in this policy.

**6. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT:**

- i. The Committee shall identify and ascertain integrity, qualification, expertise and experience of the person for the appointment as Director, KMP or at Senior Management level and recommend his/ her appointment, as per Company's Policy.
- ii. A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfaction for the position.
- iii. The Company shall not appoint or continue the employment of any person as Whole Time Director, who has attained the age of seventy years. Provided that such a person may be appointed as a Whole Time Director beyond his/ her age exceeding seventy years with the approval of Shareholders by passing a special resolution.

**I. TERM/ TENURE:**

- a) Managing Director / Whole Time Director

The Company shall appoint or reappoint any person as its Managing Director, Whole Time Director, or Executive Director for a term not exceeding five years at a time. No reappointment shall be made earlier than one year before the expiry of term.

- b) Independent Director:

An Independent Director can hold office for a term of five years on the Board of the Company and will be eligible for reappointment on passing a special resolution by the Company and disclosure of such appointment in the Board's Report.

No Independent Director shall hold a office for more than two consecutive terms of upto 5 years, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

**II. EVALUATION:**

The Committee shall carry out the evaluation of performance of Director, KMP, and senior management personnel yearly or at such intervals as may be considered necessary.

All the directors are requested annually to provide their assessment of the performance of the Board and its Committees by way of response to a questionnaire. Additionally, all Board members will be asked to do a self-evaluation of their performance annually. The performance of executive directors will be evaluated by the Nomination and Remuneration Committee. The performance evaluation of Independent Directors shall be done by entire board of directors excluding the director being evaluated.

**III. REMOVAL:**

The Committee may recommend with reasons recording in writing, removal of a director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

**IV. RETIREMENT:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act, and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**7. POLICY FOR REMUNERATION TO DIRECTORS/ KMP/ SENIOR MANAGEMENT PERSONNEL:****I. Remuneration to Managing Director/ Whole Time Directors:**

The Remuneration / Commission etc. to be paid to Managing Director/ Whole Time Directors, etc. Shall be governed as per the provisions of the Companies Act, 2013 and the rules made thereunder or any enactment for the time being in force and the approval obtained from the Members of the Company.

The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors as it may consider the appropriate with regards to the remuneration to Managing Director/ Whole Time Director.

**II. Remuneration to Non Executive Directors/ Independent Directors:**

A. The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

B. All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

C. An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

D. Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (B) above if the following conditions are satisfied:

- i) The Services are rendered by such Director in his capacity as the professional; and
- ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

**III. Remuneration to Key Managerial Personnel and Senior Management:**

A. The remuneration to Key Managerial Personnel and Senior Management may consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

B. The Fixed pay may include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

C. The Incentive pay, if any, be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

**8. IMPLEMENTATION:**

The Committees may issue guidelines, procedures, formats, reporting mechanism and manuals in supplements and for better implementation of this policy as considered appropriate

The Committee may delegate any of its powers to one or more of its members.

**For Sinnar Bidi Udyog Limited**

**Laxminarayan Karwa**

**Director**

**DIN: 00333020**

**Date: 09.03.2020**

**Place: Nashik**

**Madhav Deshpande**

**Whole Time Director and CFO**

**DIN:00238917**

**ANNEXURE 4**

**FORM NO. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**as on financial year ended on 31<sup>st</sup> March 2020**

**(Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014**

**I REGISTRATION AND OTHER DETAILS:-**

i	CIN	L16002MH1974PLC017734
ii	Registration Date	30 <sup>th</sup> August 1974
iii	Name of the Company	Sinnar Bidi Udyog Limited
iv	Category/ Sub-category of the Company	Public Company; Limited by shares
v	Address of the Registered office and Contact Details	202, 2nd FLOOR, TERMINAL 9 75, NEHRU ROAD, VILE PARLE (EAST) MUMBAI - 400 099. Contact No. : 022 26100541 E-mail ID : investor@sinnarbidi.com
vi	Whether Listed Company	Yes
vii	Name, Address and Contact Details of Registrar and Transfer Agent if any	Link Intime India Private Limited 247, Lal Bahadur Shastri Marg, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra - 400083 Phone Number – 02249186000

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :-**

All the business activities contributing 10% or more of the total turnover of the company shall be stated :-

Sr. No.	Name and Description of main products / services	NIC Code of the Product / Services	% to total turnover of the Company
1	Tobacco Sales	46307, 46202	100

**III PARTICULARS OF HOLDING SUBSIDIARY, AND ASSOCIATE COMPANIES :-**

Sr. No.	Name and Address of the Company	CIN / GLN	Holding	% of Shares held	Applicable Section
1	<b>Vidarbha Bidi Limited</b> Block No. 4, Gurukrupa Towersold, Kapad Bazar, Tanaji Peth, Akola, Maharashtra - 444 001.	U16000MH1991PLC061334	Associate	38.28%	2 (6)
2	<b>Tip Top Health Zone Private Limited</b> 202 2nd Floor Terminal 9 75, Nehru Road, Vile Parle (East) Mumbai - 400099.	U60300MH1978PTC020144	Associate	24.33%	2 (6)

# SINNAR BIDI UDYOG LIMITED

## IV SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

### I. Category-wise share holding

Sr No	Category of Shareholders	Shareholding at the beginning of the year As on 01-04-2019				Shareholding at the end of the year As on 31-03-2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
(1)	Indian									
(a)	Individuals / Hindu Undivided Family	84700	0	84700	42.3500	169400	0	169400	42.3500	0.0000
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Any Other (Specify)				0.0000				0.0000	0.0000
	Bodies Corporate	62100	0	62100	31.0500	124200	0	124200	31.0500	0.0000
	Sub Total (A)(1)	146800	0	146800	73.4000	293600	0	293600	73.4000	0.0000
(2)	Foreign				0.0000				0.0000	0.0000
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)				0.0000				0.0000	0.0000
	Sub Total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	146800	0	146800	73.4000	293600	0	293600	73.4000	0.0000
(B)	Public Shareholding				0.0000				0.0000	0.0000
(1)	Institutions				0.0000				0.0000	0.0000
(a)	Mutual Funds / UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(g)	Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Any Other (Specify)				0.0000				0.0000	0.0000
	Sub Total (B)(1)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(2)	Central Government/ State Government(s)/ President of India				0.0000				0.0000	0.0000
	Sub Total (B)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(3)	Non-Institutions				0.0000				0.0000	0.0000
(a)	Individuals				0.0000				0.0000	0.0000
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	13480	38600	52080	26.0400	33440	70920	104360	26.0900	0.0500
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)				0.0000				0.0000	0.0000
	Hindu Undivided Family	220	0	220	0.1100	440	0	440	0.1100	0.0000
	Bodies Corporate	150	0	150	0.0750	300	1300	1600	0.4000	0.3250
	Sub Total (B)(3)	100	650	750	0.3750	34180	72220	106400	26.6000	26.2250
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	13950	39250	53200	26.6000	34180	72220	106400	26.6000	0.0000
	Total (A)+(B)	160750	39250	200000	100.0000	327780	72220	400000	100.0000	0.0000
(C)	Non Promoter - Non Public								0.0000	0.0000
	(C1) Shares Underlying DRs				0.0000				0.0000	0.0000
(1)	Custodian/DR Holder				0.0000	0	0	0	0.0000	0.0000
	(C2) Shares Held By Employee Trust	0	0	0	0.0000				0.0000	0.0000
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)				0.0000	0	0	0	0.0000	0.0000
	Total (A)+(B)+(C)	160750	39250	200000	100.0000	327780	72220	400000	100.0000	0.0000

\* The company had sub-divided its equity shares during 2018-19. One equity share having face value of Rs. 10 each fully paid up has been sub-divided into two equity shares having face value of Rs.5 each. Member's approval had been obtained through Extra ordinary general meeting held on 6th March,2019. Thus upon sub division Company's share capital is altered from 200000 equity shares of Rs. 10 each to 400000 equity shares of Rs.5 each. However, the Company being a listed entity, Corporate Action for sub division was initiated on 31st July,2019 which has been taken as record date for the sub-division of equity shares, by BSE where the shares of the company are listed. Therefore, the number of shares of the company as on 31st March,2019 are continued as 2,00,000 equity shares of Rs.10 each as per records with Registrar and Transfer Agent (RTA). Face value of Share of company is changed to Rs. 5 per share w e f 31st July 2019

**ii. Shareholding of Promoters**

Sr No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	% Change in the shareholding during the year
1	Shrirang Kisanlal Sarda	13720	6.86	0	27440	6.86	0	0
2	STS Exports Limited	3700	1.85	0	7400	1.85	0	0
3	Kisanlal Bastiram Sarda	41170	20.585	0	82340	20.585	0	0
4	Kiran Kisanlal Sarda	18170	9.085	0	36340	9.085	0	0
5	Kisanlal Bastiram Sarda	5590	2.795	0	11180	2.795	0	0
6	Shrilekha Vivek Sisodia	100	0.05	0	200	0.05	0	0
7	Kisanlal Bastiram Sarda	5950	2.975	0	11900	2.975	0	0
8	Rasbihari Enterprises Limited	58400	29.2	0	116800	29.2	0	0
	<b>TOTAL</b>	<b>146800</b>	<b>73.4</b>	<b>0</b>	<b>293600</b>	<b>73.4</b>	<b>0</b>	<b>0</b>

\* No change in holdings. No of shares is changed due to subdivision of shares as per the note on previous page.

**iii. Change in Promoters Shareholding (Please specify if there is no change): No Change**

Sr No.	Name & Type of Transaction	Shareholding at the beginning of		Transactions during the year		Cumulative Shareholding at the	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	RASBIHARI ENTERPRISES LIMITED Addition in number of shares due to subdivision AT THE END OF THE YEAR	58400	0	02 Aug 2019	58400	58400	29.2
2	KISANLAL BASTIRAM SARDA Addition in number of shares due to subdivision AT THE END OF THE YEAR	46760	0	02 Aug 2019	46760	93520	23.38
3	KIRAN KISANLAL SARDA Addition in number of shares due to subdivision AT THE END OF THE YEAR	18170	0	02 Aug 2019	18170	36340	9.085
4	SHRIRANG KISANLAL SARDA Addition in number of shares due to subdivision AT THE END OF THE YEAR	13720	0	02 Aug 2019	13720	27440	6.86
5	KISANLAL BASTIRAM SARDA Addition in number of shares due to subdivision AT THE END OF THE YEAR	5950	0	02 Aug 2019	5950	11900	2.975
6	STS EXPORTS LTD Addition in number of shares due to subdivision AT THE END OF THE YEAR	3700	0	02 Aug 2019	3700	7400	1.85
7	SHRILEKHA VIVEK SISODIYA Addition in number of shares due to subdivision AT THE END OF THE YEAR	100	0	02 Aug 2019	100	200	0.05

## SINNAR BIDI UDYOG LIMITED

### iv. Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDR and ADRs)

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year ( as on 01.04.2019)		Cumulative Shareholding at the end of the year - ( as on 31.03.2020)	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	MANDAR GANESH RAJENDRA	300	0.15	5200	1.30
2	HARSHA HITESH JAVERI	2350	1.18	4700	1.18
3	SHASHIKANT GANAPATI BAGEWADI	2050	1.03	4100	1.03
4	HITESH RAMJI JAVERI	1900	0.95	3800	0.95
5	SUNILDATTA VINAYAK LAD	1450	0.73	2900	0.73
6	SHISHIR RAMDAS BARKALE	500	0.25	2840	0.71
7	LAXMINARAYAN MOHANLAL KARWA	1250	0.63	2500	0.63
8	JAGDISH SHANKAR KULKARNI	1000	0.50	2300	0.58
9	GOVERDHAN BHAGIRATH HEDE	1150	0.58	2300	0.58
10	SATISH PRABHAKAR PATIL	1100	0.55	2200	0.55

#### Note:

1. Paid up Share Capital of the Company (Face Value Rs. 5.00) at the end of the year is 400000 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

### v. Shareholdings of Directors and Key Managerial Personnel :

Sr No	For Each of the Directors and KMPs	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company	No. of Shares	% of total shares of the Company
1	Madhav Digambar Deshpande	100	0.05	200	0.05
2	Bhausahab Shukhadew Pawar	150	0.08	300	0.08
3	Dhanpal Motilal Shah*	0	0.00	0	0.00
4	Bharati Subhash Sancheti	240	0.12	480	0.12
5	Laxminarayan Mohanlal Karwa	1250	0.63	2500	0.63
6	Rajendra Nemichand Tatiya	0	0.00	0	0.00
7	Mansur Maheboob Khan**	0	0.00	0	0.00
	At the end of the year	1740	0.87	3480	0.87

\* Mr Dhanpal Shah resigned as Director w.e.f. 30th March 2020

\*\* Mr Mansur Khan appointed as an Additional Director w.e.f. 30th March 2020



**V INDEBTEDNESS**

Indebtedness of the company including interest outstanding/ accrued but not due for payment

		<b>Secured Loan excluding the deposits</b>	<b>Unsecured loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
	Indebtedness at the beginning of the year				
i	Principal Amount	16591363	0	0	16591363
ii	Interest due but not paid	0	0	0	0
iii	Interest accrued but not due	0	0	0	0
	<b>Total (i+ii+iii)</b>	<b>16591363</b>	<b>0</b>	<b>0</b>	<b>16591363</b>
	Change in Indebtedness during the financial year				
	Addition	1217936	0	0	1217936
	Reduction	0	0	0	0
	<b>Net Change</b>	<b>1217936</b>	<b>0</b>	<b>0</b>	<b>1217936</b>
	Indebtedness at the end of the financial year				
i	Principal Amount	17809299	0	0	17809299
ii	Interest due but not paid	0	0	0	0
iii	Interest accrued but not due	0	0	0	0
	<b>Total (i+ii+iii)</b>	<b>17809299</b>	<b>0</b>	<b>0</b>	<b>17809299</b>

## SINNAR BIDI UDYOG LIMITED

### VI REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole Time Directors and/ or Manager:

Sr No	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount
		Whole Time Director Mr. Madhav Deshpande	Managing Director: N.A.	Manager: N.A.	
1	Gross Salary		0	0	0
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	2,715,727.00	-	-	2,715,727.00
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of Salary under section 17(3) of Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	as a % of Profit	-	-	-	-
	Others, specify				
5	Others, please specify	-	-	-	-
	TOTAL (A)	2,715,727.00	-	-	2,715,727.00
	Ceiling as per the Act				

#### B. Remuneration to other directors: NOT APPLICABLE

Sr No	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors				
	Fees for attending board and committee meetings				
	Commission				
	Others, please specify				
	Total (1)				
2	Other Non- Executive Directors				
	Fees for attending board and committee meetings				
	Commission				
	Others, please specify				
	Total (2)				
	Total (B)= (1+2)				
	Total Managerial Remuneration				
	Over Managerial Ceiling as per Act				

**C. Remuneration to Key Managerial Personnel other than MD/ Manager / WTD :**

Sr No	Particulars of Remuneration	Name of the Key Managerial Personnel			Total Amount
		Chief Financial Officer : Mr. M.D. Deshpande*	Company Secretary: Pratiksha Shah#	Chief Executive Officer: N.A.	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	361,919.00	-	361,919.00
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of Salary under section 17(3) of Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as a % of Profit	-	-	-	-
	Others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>TOTAL</b>	-	361,919.00	-	361,919.00

\* Mr. M.D.Deshpade is the Whole Time Director as well as Chief Financial Officer.

The company does not pay separate remuneration to the CFO

# Ms Pratiksha Shah is appointed as Company Secretary w e f 22nd April 2019

**VII PENALTIES/ PUNISHMENTS/ COMPOUNDING OF OFFENCES : NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal Made, if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

**For Sinnar Bidi Udyog Limited**

**Laxminarayan Karwa**  
**Director**  
**DIN: 00333020**  
**Date: 12th September 2020**  
**Place: Nashik**

**Madhav Deshpande**  
**Whole Time Director and CFO**  
**DIN:00238917**

**ANNEXURE 5  
FORM NO AOC - 2**

(Pursuant to clause (h) of sub-sections (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under this proviso thereto

**1. Details of contracts or arrangements or transactions not at arms length basis: Not applicable**

(a) Name(s) of the related party and nature of relationship	NIL
(b) Nature of contracts/ arrangements/ transactions	
(c) Duration of the contract/ arrangements/ transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	
(f) Dates of approval by the Board	
(g) Amount paid as advances, if any:	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

**2. Details of material contracts or arrangements or transactions at arms length basis**

**I. M/s Shrirang Kisanlal Sarda**

(a) Name(s) of the related party and nature of relationship	<i>M/s Shrirang Kisanlal Sarda (Promoters are Partners in the firm)</i>
(b) Nature of contracts/ arrangements/ transactions	Availing of services
(c) Duration of the Contracts/ arrangements/ transactions	The contract is governed by the provisions of Companies Act, 1956 and continuing one.
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Rent Paid Amount : Rs. 6,00,000 /-
(e) Date(s) of approval by the Board, if any	14th February 2019
(f) Amount paid as advances, if any	NIL

**II. Rasbihari Enterprises Limited**

(a) Name(s) of the related party and nature of relationship	Rasbihari Enterprises Limited (Companies have common Directors)
(b) Nature of contracts/ arrangements/ transactions	Availing of services
(c) Duration of the Contracts/ arrangements/ transactions	The contract is governed by the provisions of Companies Act, 1956 and continuing one.
(d) Salient terms of the contracts or arrangements transactions including the value, if any	Factory and Godown rent paid Amount : Rs. 4,22,400 /-
(e) Date(s) of approval by the Board, if any	14th February 2019
(f) Amount paid as advances, if any	NIL

**For Sinnar Bidi Udyog Limited**

**Laxminarayan Karwa**  
Director  
DIN: 00333020  
Date: 12<sup>th</sup> September, 2020  
Place: Nashik

**M.D.Deshpande**  
Whole Time Director and CFO  
DIN: 00238917

**ANNEXURE 6**

**Disclosure relating to investment of Sinnar Bidi Udyog Ltd in following associates companies.**

**FORMAOC-I**

**(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)**

Statement containing salient features of the financial statement of subsidiary/ associate companies/ joint venture

**PART A: Subsidiaries**                      NIL

(Information in respect of each subsidiary to be presented with amounts in Rs. )

- 1 Serial No
- 2 Name of the Subsidiary
- 3 The date since when subsidiary was acquired
- 4 Reporting period for the subsidiary concerned, if different from the holding company's reporting period
- 5 Reporting currency and Exchange rate as on the last date of the relevant financial year in case of foreign subsidiary
- 6 Share Capital
- 7 Reserves and Surplus
- 8 Total Assets
- 9 Total Liabilities
- 10 Investments
- 11 Turnover
- 12 Profit before taxation
- 13 Provision for taxation
- 14 Profit after taxation
- 15 Proposed Dividend
- 16 % of Shareholding

**Notes :** The following information shall be furnished at the end of the Statement

Names of the subsidiaries which are yet to commence operations :                      NIL

Names of the subsidiaries which have been liquidated or sold during the year :      NIL

# SINNAR BIDI UDYOG LIMITED

## PART B: Associates and Joint Ventures

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of the Associates / Joint Ventures	Vidarbha Bidi Limited	Tip Top Health Zone Private Limited
1. Latest Audited Balance Sheet Date	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2020
Date on which the Associate or Joint Venture was associated or acquired	31 <sup>st</sup> March 1997	31 <sup>st</sup> March 1998
2. Shares of Associates/ Joint Ventures held by the Company on the year end		
No.	39,590 Equity Shares	3,650 Equity Shares
Amount of Investment in Associates/ Joint Venture	Rs. 4,68,419.00	Rs. 8,77,352.00
Extend of Holding %	38.28 %	24.33 %
3. Description of how there is significant influence	Control of Share Capital more than 20%	Control of Share Capital more than 20%
4. Reason why the associate/ joint venture is not consolidated		
5. Networth attributable to Shareholding as per latest Audited Balance Sheet	-7,82,763	27,19,094
6. Profit/ Loss for the year to the extent of holding	-1,86,908	20,228
i. Considered in Consolidation	Nil	20,228
ii. Not Considered in Consolidation	Profit not considered in consolidation as we have made provision of diminution in the value of shares.	-

**For Sinnar Bidi Udyog Limited**

**Laxminarayan Karwa**  
**Director**  
**DIN: 00333020**  
**Date: 12<sup>th</sup> September, 2020**  
**Place: Nashik**

**M.D.Deshpande**  
**Whole Time Director and CFO**  
**DIN: 00238917**

**SECRETARIAL AUDIT REPORT FOR THE  
FINANCIAL YEAR ENDED 31ST MARCH, 2020**

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,  
Sinnar Bidi Udyog Limited  
Registered Office:  
202, 2<sup>nd</sup> Floor, Terminal - 9, 75, Nehru Road,  
Vile Parle (East), Mumbai, Maharashtra-400099

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sinnar Bidi Udyog Limited CIN: L16002MH1974PLC017734 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information / representations given by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder (**Not applicable to the Company during audit period**);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**Not applicable to the Company during audit period**);
  - d. The Securities and Exchange Board of India (Share based employee benefits) Guidelines, 2014 (**Not applicable to the Company during audit period**);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during audit period**);
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during audit period);**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during audit period);**
- i. SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.**
- j. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; - (Not applicable to the Company during audit period).**
- k. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.**

There are no laws which specifically apply to the type of activities undertaken by the company.

We have also examined compliance with the applicable clauses of the following: -

- i. Secretarial Standards issued by The Institute of Company Secretaries of India as in force from time to time.**
- ii. The Listing Agreements entered into by the Company with BSE Limited.**

During the period under review, barring one instance of delayed filing of form DPT-3 in respect of one time return of exempted deposits, the Company has complied with the provisions of Act, Rules, Regulations Guidelines, etc. mentioned above.

We further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice of at least seven days is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda are sent generally seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the Company which commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines

Place: Thane

Date: 29<sup>th</sup> June 2020

For JHR & Associates

Company Secretaries

S. J. Ranade

(Partner)

ACS : 33416, CP : 12520

UDIN : A0033416B000394766



The Members,

**Sinnar Bidi Udyog Limited**

Registered Office:

202 2nd Floor Terminal - 9 75 Nehru Road

Vile Parle East Mumbai Maharashtra 400099

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Thane

Date: 29<sup>th</sup> June 2020

For JHR & Associates

Company Secretaries

S. J. Ranade

(Partner)

ACS : 33416, CP : 12520

**INDEPENDENT AUDITOR'S REPORT**

To the Members of **SINNAR BIDI UDYOG LIMITED**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the standalone financial statements of **SINNAR BIDI UDYOG LIMITED**

("the Company"), which comprise the balance sheet as at 31st March 2020, and the standalone statement of profit and loss, and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit/loss, and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ◆ Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal

financial controls system in place and the operating effectiveness of such controls

- ★ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ★ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss, and the Standalone Cash

Flow Statement dealt with by this Report are in agreement with the books of account

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company does not have any pending litigations which would impact its financial position
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**For SABADRA & SABADRA  
Chartered Accountants**

**Anant N. Sabadra  
(Registration No. 33683)  
FRN : 108921W.  
UDIN : 20033683AAAAAI2101**

**Place : Nashik**

**Date : 29th June 2020.**

**ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)  
Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of SINNAR BIDI UDYOG LIMITED ('the Company')**

- i In respect of the Company's fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets were physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- ii As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii As informed to us the Company has not granted loans, unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. The terms and conditions of grant of such loans are not prejudicial to the interest of the Company. There is no schedule of repayment of the loan granted and the account is regular and it is not overdue. The payment of interest is regular.
- iv As explained to us, Company has not granted any loan, investments, guarantees and security during the year ended as at 31st March 2020.
- v The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable
- vi As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- vii According to the information and explanations given to us, in respect of statutory dues:
  - a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.

- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- viii In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and financial institutions. The Company has not issued any debentures.
- ix The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable.
- x To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv During the year, the Company has not made preferential allotment or private placement of shares and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- xv In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Act are not applicable.
- xvi In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For SABADRA & SABADRA  
Chartered Accountants**

**Place : Nashik  
Date :-29th June 2020**

**Anant N. Sabadra,  
(Registration No.33683)  
FRN : 108921W.  
UDIN : 20033683AAAAAI2101**

**“Annexure B” to the Independent Auditor’s Report of even date on  
the Standalone Financial Statements of SINNAR BIDI UDYOG LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of  
Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over standalone financial reporting of SINNAR BIDI UDYOG LIMITED (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over standalone financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over standalone financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over standalone financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over standalone financial reporting and their operating effectiveness. Our audit of internal financial controls over standalone financial reporting included obtaining an understanding of internal financial controls over standalone financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over standalone financial reporting.



### **Meaning of Internal Financial Controls Over Standalone Financial Reporting**

A company's internal financial control over standalone financial reporting is a process designed to provide reasonable assurance regarding the reliability of standalone financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over standalone financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

### **Inherent Limitations of Internal Financial Controls Over Standalone Financial Reporting**

Because of the inherent limitations of internal financial controls over standalone financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over standalone financial reporting to future periods are subject to the risk that the internal financial control over standalone financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over standalone financial reporting and such internal financial controls over standalone financial reporting were operating effectively as at March 31, 2020, based on the internal control over standalone financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Standalone Financial Reporting issued by the Institute of Chartered Accountants of India.

**For SABADRA & SABADRA**

**Chartered Accountants**

**Anant N. Sabadra,**

**(Registration No.33683)**

**FRN : 108921W.**

**UDIN : 20033683AAAAAI2101**

**Place : Nashik**

**Date :-29th June 2020**

# SINNAR BIDI UDYOG LIMITED

## STANDALONE BALANCE SHEET AS AT 31ST MARCH 2020

Particulars	Note No	31.03.2020 RUPEES	31.03.2019 RUPEES
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3	3,904,029	4,280,917
Intangible assets	3	-	-
<b>Financial Assets</b>			
Investments	4	5,814,516	5,794,288
Other Financial Assets	5	693,013	691,647
Deferred Tax Asset (Net)	6	1,210,000	1,192,000
		<b>11,621,558</b>	<b>11,958,852</b>
<b>CURRENT ASSETS</b>			
Inventories	7	55,436,135	67,254,779
<b>Financial Assets</b>			
Trade Receivable	8	23,418,673	21,181,412
Cash and Bank Balances	9	172,860	59,349
Current Tax Asset (Net)	10	31,175	332,747
Other Current Assets	11	247,757	208,187
		<b>79,306,600</b>	<b>89,036,474</b>
<b>Total</b>		<b>90,928,158</b>	<b>100,995,326</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share Capital	12	2,000,000	2,000,000
Other Equity	13	39,708,645	41,971,943
		<b>41,708,645</b>	<b>43,971,943</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
<b>Financial Liabilities</b>			
Long -Term Borrowings	14	7,009,299	8,191,363
Provisions	15	25,876,873	23,777,880
		<b>32,886,172</b>	<b>31,969,243</b>
<b>CURRENT LIABILITIES</b>			
<b>Financial Liabilities</b>			
Short-Term Borrowings	16	10,800,000	8,400,000
Trade Payable	17	3,070,748	13,549,480
Employee Benefit Obligation	18	1,164,718	876,426
Provisions	19	331,934	372,489
Other Current Liabilities	20	965,942	1,855,745
		<b>16,333,342</b>	<b>25,054,140</b>
<b>Total</b>		<b>90,928,158</b>	<b>100,995,326</b>

Summary of Significant Accounting Policies 1&2

The accompanying notes form an integral part of the financial statements 29 to 38

As per our report of even date

For and on behalf of the Board

For SABADRA & SABADRA,  
Chartered Accountants,

Laxminarayan Karwa  
DIN - 00333020

Director

Anant N. Sabadra,  
Mem. No. **033683**

Madhav Deshpande  
DIN - 00238917

WTD and CFO

FRN: **108921W**

Place : Nashik

Date : 29th June 2020

Pratiksha Shah  
Membership No

Date : 29th June 2020

Company Secretary and Compliance Officer  
A-57487

# SINNAR BIDI UDYOG LIMITED

## STATEMENT OF STANDALONE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2020

	Particulars	Refer Note No.	31.03.2020 RUPEES	31.03.2019 RUPEES
<b>Income</b>				
I	Revenue from Operations	21	54,770,307	55,535,722
II	Other Income	22	113,355	55,974
III	<b>Total Revenue (I)</b>		<b><u>54,883,662</u></b>	<b><u>55,591,696</u></b>
<b>Expenses</b>				
	Cost of material consumed	23	35,950,294	35,516,073
	Employee Benefits Expense	24	10,027,320	11,036,446
	Finance Cost	25	2,185,303	3,209,994
	Depreciation and Amortization Expense	3	378,970	456,572
	Other Expense	26	6,544,308	5,982,561
	Exchange rate difference	27	2,098,993	1,393,970
IV	<b>Total Expenses</b>		<b><u>57,185,188</u></b>	<b><u>57,595,616</u></b>
V	<b>Profit for the Year</b>		<b><u>(2,301,527)</u></b>	<b><u>(2,003,920)</u></b>
VII	<b>Tax Expenses</b>			
	Current Tax		-	-
	Prior Period Tax		-	2,340
	Deferred Tax		(18,000)	72,000
			<b><u>(18,000)</u></b>	<b><u>74,340</u></b>
VIII	<b>Profit / (Loss) for the year</b>		<b><u>(2,283,527)</u></b>	<b><u>(2,078,260)</u></b>
VI	<b>Other Comprehensive Income</b>			
	Other Comprehensive income from Associates.	28	20,228	4,298
	<b>Profit / (Loss) before Tax</b>		<b><u>(2,263,299)</u></b>	<b><u>(2,073,962)</u></b>
	Earning Per Equity Share of Face Value of 5/- each.		(5.66)	(10.37)
	Basic		(5.66)	(10.37)
	Diluted			
	Summary of Significant Accounting Policies	1&2		
	The accompanying notes form an integral part of the financial statements 29 to 38.			

As per our report of even date

For SABADRA & SABADRA,  
Chartered Accountants,

Anant N. Sabadra,  
Mem. No. **033683**  
FRN:**108921W**  
Place : Nashik  
Date : 29th June 2020

For and on behalf of the Board

Laxminarayan Karwa  
DIN - 00333020

Madhav Deshpande  
DIN - 00238917

Pratiksha Shah  
Membership No

Date : 29th June 2020

Director

WTD and CFO

Company Secretary and Compliance Officer  
A-57487

# SINNAR BIDI UDYOG LIMITED

## STANDALONE CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

Particulars	31.03.20 RUPEES	31.03.19 RUPEES
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax and Extraordinary Items	(2,301,526)	(2,003,920)
<b>ADJUSTMENTS FOR :</b>		
Depreciation	378,970	456,572
(Gain) / Loss on Sales of Fixed Assets (Net)	163	-
Adjust. Relating to Earlier Year (Net) / Extraordinary Items	2,098,993	1,393,970
Interest Paid	2,185,303	3,209,994
Dividend on Investments	(10,682)	(8,638)
<b>Operating Profit Before Working Capital Changes</b>	<b><u>2,351,221</u></b>	<b><u>3,047,978</u></b>
<b>ADJUSTMENTS FOR MOVEMENT IN WORKING CAPITAL</b>		
Trade Payable	(10,478,732)	(3,783,479)
Employee Benefit Obligation	288,292	54,706
Short - Term Provisions	(40,556)	(40,125)
Other Current Liabilities	(889,803)	(295,110)
Trade Receivable	(2,237,261)	16,650,197
Other Current Assets	(39,570)	1,182
Inventories	11,818,646	6,359,355
<b>Cash Generated from Operations</b>	<b><u>772,237</u></b>	<b><u>21,994,704</u></b>
Direct Taxes Refund / ( Paid ) Net	301,570	-
<b>Cash Flow Before Extra Ordinary Items</b>	<b><u>1,073,807</u></b>	<b><u>21,994,704</u></b>
<b>Net Cash from / (used in) Operating Activities</b> (A)	<b><u>1,073,807</u></b>	<b><u>21,994,704</u></b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, plant and equipment	(4,245)	(12,595)
Sale of Property, plant and equipment	2,000	-
Balances not considered as Cash and Cash Equivalents - Placed (net)	-	-
Sale of Investments - Non Current	-	-
Dividend Received on Investments	10,682	8,638
Investment in FDR	-	-
Interest Received	-	-
<b>Net Cash from / (used in) Investing Activities</b> (B)	<b><u>8,437</u></b>	<b><u>(3,957)</u></b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interest Paid	(2,185,303)	(3,209,994)
Unclaimed Dividend Paid	-	-
Proceeds from Long-term Borrowing	(1,182,064)	(18,826,055)
Proceeds from Short-term Borrowing	2,400,000	-
Proceeds from Other Financial Assets	(1,366)	356
<b>Net Cash from / (used in) Financing Activities</b> (C)	<b><u>(968,733)</u></b>	<b><u>(22,035,693)</u></b>
<b>Net Cash Inflow/ (Outflow)</b> (A)+(B)+(C)	<b><u>113,511</u></b>	<b><u>(44,945)</u></b>
Cash and Cash Equivalents as at 01.04.2019 (Opening Balance) (D)	59,349	104,294
Cash and Cash Equivalents as at 31.03.2020 (Closing Balance) (E)	172,860	59,349
Net Increase / (Decrease) In Cash Cash Equivalents (E) - (D)	<b><u>113,511</u></b>	<b><u>(44,945)</u></b>

**Note :**

Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing

Summary of Significant Accounting Policies ( Note 1&2 )

The accompanying notes are an integral part of these financial statements - 29 to 38.

As per our report of even date

For and on behalf of the Board

For SABADRA & SABADRA,  
Chartered Accountants,

Laxminarayan Karwa     Director  
DIN - 00333020

Anant N. Sabadra,

Madhav Deshpande     WTD and CFO  
DIN - 00238917

Mem. No. 033683

FRN:108921W

Place : Nashik

Date : 29th June 2020

Pratiksha Shah     Company Secretary and Compliance Officer  
Membership No     A-57487

Date : 29th June 2020

**NOTE: 1****CORPORATE INFORMATION**

Sinnar Bidi Udyog Ltd. ("the Company") is a company domiciled in India, with its registered office situated at 202, 2nd Floor, Terminal - 9, 75, Nehru Road, Vile Parle (East), Mumbai-400099. The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the BSE Limited in India. The Company is primarily involved in Tobacco processing business.

**NOTE 2:****SIGNIFICANT ACCOUNTING POLICIES****1) Statement of Compliance**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "IND AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016.

These financial statements have been prepared in accordance with IND AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

**2) Use of Estimates**

The preparation and presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized

**3) Revenue Recognition**

Revenue from the sale of products is recognized on transfer of all significant risks and rewards of ownership to the buyer which coincides with dispatch of products to customers.

Interest income is recognized on time proportion basis. Dividend income on investment is accounted for when right to receive is established.

**4) Property Plant and Equipment**

Items of property, plant, & equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost is inclusive of freight, duties, taxes or levies (net of recoverable taxes) and any directly attributable cost of bringing the assets to their working condition for intended use.

Profit or Loss on disposal / scrapping / write off / retirement from active use of an item of property, plant and equipment is recognized in the statement of profit and loss.

**Depreciation / Amortization**

The company has assessed the useful lives of fixed assets as per Schedule II to the Companies Act, 2013. Accordingly, depreciation has been computed on useful lives based on technical evaluation of relevant class of assets including components thereof. Useful lives and residual values are reviewed annually. Depreciation is provided as per the written down value method computed basis useful lives of fixed assets as follows:

Buildings	: 60 years
Plant & Machinery	: 10 years
Office Equipments	: 5 years
Furniture and fixtures	: 10 years
Vehicles	: 10 years
Information technology equipment	: 3 years

Freehold land is not depreciated, Leasehold land and related improvements are amortized over the period of the lease.

**Intangible Assets**

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licenses which are amortized over license period which equates the useful life ranging between 2-5 years on a written down value basis.

**5) Financial Instruments**

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

**Cash and Cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

**Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss

**Financial Liabilities**

Financial liabilities are measured at amortized cost using the effective interest method.

**Equity Instruments**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. equity instruments recognized by the Company are recognized at the proceeds received net off direct issue cost.

**Investment in associates**

Investment in associates are measured at cost less impairment.

**6) Inventories**

a) Raw materials, packing material and consumables are carried at the lower of cost and net realizable value. Cost is determined on a weighted average basis. Stores and spare parts are carried at lower of cost and net realizable value. Finished goods produced or purchased by the Company are carried at lower of cost and net realizable value. Cost included direct material and labour cost and proportion of manufacturing overheads.

**7) Employee / Retirement Benefits****I) Employee Benefit Plan**

The company makes contributions to Provident Fund, Employee State Insurance, National Pension System etc. for eligible employees and these contributions are charged to statement of profit and loss on accrual basis.

Liability for defined benefit plans i.e. gratuity and unfounded pension is determined based on the actuarial valuation carried by an independent actuary as at the year-end. As these liabilities. are relatively long term in nature, the actuarial assumptions take in account the requirements of the relevant IND AS coupled with a long-term view of the underlying variables / trends, wherever required.

**II) Defined Contribution Plan**

Contributions to defined contribution plans are recognized as expense when employees have rendered services entitling them to such benefits.

**III) Compensated Absences**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as an actuarially determined liability at the present value of the defined benefit obligation at the Balance sheet date.

**8) Foreign Currency Transactions**

Monetary items denominated in foreign currency as at the Balance Sheet date are converted at exchange rates prevailing on that date. Exchange differences are recognized in the Statement of Profit & Loss.

**9) Borrowing Cost**

Borrowing costs directly attributable to acquisition or construction of items of property, plant and equipment which take substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. All other borrowing costs are charged to the statement of profit and loss in the period in which they are incurred.

**10) Income Tax**

Income tax expenses comprises of current tax and deferred tax. Income tax expense is recognized in the statement of profit and loss, except when it related to items recognized in the other comprehensive income or items recognized directly in the equity. In such cases, the income tax expense is also recognized in the other comprehensive income or directly in the equity as applicable.

Deferred taxes are recognized on the basis of the balance sheet approach on temporary differences, being the difference between the carrying amount of assets and liabilities in the balance Sheet and its corresponding tax base, that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent it is probable that future taxable profits will be available against which such assets can be utilized.

**11) Provision and Contingent Liabilities**

Provisions for Contingencies/ Contingent liabilities are recognized/ disclosed after evaluation of facts and legal aspects of the matter involved, in line with IND AS 37 on Provisions, Contingent Liabilities and Contingent Assets. Provisions are recognized when the Company has a present obligation (legal/constructive) and on management judgment as a result of a past event, for which it is probable that a cash outflow will be required, and a reliable estimate can be made of the amount of the obligation. As the timing of outflow of resources is uncertain, being dependent upon the outcome of the future proceedings, these provisions are not discounted to their present value.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources, When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be accrued/ realized.

**12) Impairment****(I) Financial Assets (Other than at fair value)**

The Company assesses at each date of Balance sheet whether a financial asset or a group of financial assets is impaired. IND AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

**(II) Non-Financial Assets****Tangible and Intangible Assets**

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit



(CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU ) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

### **13) Earning Per Share**

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculation diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020**

**Note : 3**

**Property, plant and equipment**

(Amount in Rs.)

	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at	Additions	Deductions	As at	For the Year	Written Back	Total	up to	As at
	1.4.2019	During The Year	& Transfers During The Year	31.03.20	1.4.2019	31.03.20	31.03.20	31.03.20	31.03.2019
Freehold Land	199,859			199,859	-	-	-	199,859	199,859
Buildings	7,050,792			7,050,792	4,201,065	148,406	4,349,471	2,701,321	2,849,727
Plant And Machinery	3,460,015			3,460,015	2,498,363	178,066	2,676,429	783,586	961,652
Electric Installation	777,992			777,992	712,493	8,575	721,068	56,924	65,499
Furniture & Fixture	1,359,179			1,359,179	1,330,653	-	1,330,653	28,526	28,526
Office & Other Equipments	4,000,709	4,245		4,004,954	3,883,689	29,125	3,912,814	92,140	117,020
Computers & Dataprocessing Eqp	49,400			49,400	48,490	-	48,490	910	910
Vehicles	113,092		4,900	108,192	55,368	14,798	2,737	67,429	57,724
<b>Total</b>	<b>17,011,038</b>	<b>4,245</b>	<b>4,900</b>	<b>17,010,383</b>	<b>12,730,121</b>	<b>378,970</b>	<b>2,737</b>	<b>13,106,354</b>	<b>4,280,917</b>
<b>Previous Year</b>	<b>16,998,443</b>	<b>12,595</b>	<b>-</b>	<b>17,011,038</b>	<b>12,273,549</b>	<b>456,572</b>	<b>-</b>	<b>12,730,121</b>	<b>4,724,894</b>

# SINNAR BIDI UDYOG LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020.

Particulars			31.03.2020	31.03.2019
			RUPEES	RUPEES
<b>Financial Assets</b>				
<b>Note : 4 Investment (In Shares)</b>				
<b>A) Fully Paid-up Equity Shares in Companies</b>				
Company	Numbers		Face Value	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
<b>i) Quoted Shares</b>				
Britannia Industries Ltd.	200	100	1	1
Castrol India Ltd.	8	8	5	5
Dabur India Ltd.	600	600	1	1
Procter & Gamble Health Limited (Previously known as Merck (India) Ltd.)	10	10	10	10
Hindustan Unilever Ltd.	100	100	1	1
Novartis India Ltd.	10	10	5	5
			42,890	42,890
<b>ii) Unquoted Shares</b>				
Rasbihari Enterprises Ltd.	88496	88496	10	10
STS Exports Ltd.	490	490	100	100
Syngenta India Ltd.	100	100	5	5
			2,773,717	2,773,717
<b>iii) Unquoted Shares in Associate Company</b>				
Vidarbha Bidi Ltd.	39590	39590	10	10
Less : Prov. for Dimunation in value of Investment			468,419	468,419
			-	-
Tip Top Health Zone Pvt Ltd.	3650	3650	100	100
			2,986,909	2,966,681
			2,986,909	2,966,681
<b>B) Others Unquoted</b>				
Ordinary Shares in National Saving Certificates #		-	-	-
			11,000	11,000
			11,000	11,000
			<b>5,814,516</b>	<b>5,794,288</b>
<b>NOTES</b>				
Quoted Investemnt (Market value)			1,080,161	1,077,527
Unquoted Investemnt (Cost)			5,760,626	5,740,398

# Security Lodged with Sales Tax / Excise Authorities

# SINNAR BIDI UDYOG LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

Particulars	31.03.2020 RUPEES	31.03.2019 RUPEES
<b>Note 5 : Other Financial Assets</b>		
Security Deposits	660,778	660,778
Deposit with Government Authorities	16,611	16,611
Interest Accrued	15,624	14,258
	<u>693,013</u>	<u>691,647</u>
<b>Note : 6 Deferred Tax Asset (Net)</b>		
Deferred Tax Liabilities		
Property, Plant and equipment	(566,000)	(595,000)
	<u>(566,000)</u>	<u>(595,000)</u>
Deferred Tax Assets		
Provision for Employee Benefits	(29,000)	21,000
Provision for Escrow Fund	1,805,000	1,766,000
	<u>1,776,000</u>	<u>1,787,000</u>
<b>Net Deferred Tax Asset</b>	<u><b>1,210,000</b></u>	<u><b>1,192,000</b></u>
<b>Note : 7 Inventories (At lower of cost or net realisable value)</b>		
Raw Material	55,213,280	66,557,579
Traded Goods / Other Stock	222,855	697,200
	<u>55,436,135</u>	<u>67,254,779</u>
<b>Note : 8 Trade Receivables</b>		
Unsecured considered good unless otherwise stated		
Due within Six Months	23,418,673	21,181,412
	<u>23,418,673</u>	<u>21,181,412</u>
<b>Note : 9 Cash And Bank Balances</b>		
a. Cash on Hand	24,947	28,486
b. <u>With Scheduled Banks :</u>		
In Current Accounts	147,913	30,863
	<u>172,860</u>	<u>59,349</u>
<b>Note : 10 Current Tax Asset (Net)</b>		
Advance Income Tax (Net)	31,175	332,747
	<u>31,175</u>	<u>332,747</u>
<b>Note : 11 Other Current Assets</b>		
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or kind or for value to be received		
Prepaid Expenses	247,757	208,187
	<u>247,757</u>	<u>208,187</u>

# SINNAR BIDI UDYOG LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

Particulars	31.03.2020 RUPEES	31.03.2019 RUPEES
<b>Note 12 : Share Capital</b>		
Authorized		
2,00,000 Equity Shares of Rs.5/- each	20,00,000	20,00,000
Issued, Subscribed and Paid-up		
4,00,000 Equity Shares of Rs.5/- each fully paid (Earlier year 2,00,000 Equity Shares of Rs.10/- each Fully paid)	2,000,000	2,000,000
	<b>2,000,000</b>	<b>2,000,000</b>

**Notes:**

a) With the effect from 31.07.19 share capital Qty is 4,00,000 and face value is 5/-each.

b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

**Equity shares**

	31.03.2020		31.03.2019	
	Number of shares	Amount Rs.	Number of shares	Amount Rs.
At the beginning of the period	400,000	2,000,000	200,000	2,000,000
Issued during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>400,000</b>	<b>2,000,000</b>	<b>200,000</b>	<b>2,000,000</b>

b) Terms / right attached to equity shares

There are no special right attached to equity shares other than those specified under provisions of various Acts.

c) Details of shareholders holding more than 5% shares in the company

	31.03.2020		31.03.2019	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Equity shares of Rs.5/- each fully paid				
Rasbihari Enterprises Ltd.	116,800	29.20%	58,400	29.20%
Shri.Kisanlal Bastiramji Sarda	105,420	26.36%	52,710	26.36%
Sou.Kiran Kisanlal Sarda	36,340	9.09%	18,170	9.09%
Shri.Shrirang Kisanlal Sarda	27,440	6.86%	13,720	6.86%

**Note 13 : Other Equity**

General Reserve		20,201,000	20,201,000
Retained Earning	21,770,943		23,844,905
Add : Profit / (Loss) for the year	(2,263,298)		(2,073,962)
		19,507,645	21,770,943
		<b>39,708,645</b>	<b>41,971,943</b>

# SINNAR BIDI UDYOG LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

Particulars	31.03.2020 RUPEES	31.03.2019 RUPEES
<b>Note 14 : Long Term Borrowings</b>		
Asset Based Lending (From State Bank of India)	7,009,299	8,191,363
a. Secured by hypothecation of all current assets of the company both present and future		
b. The above credit facility is further secured by equitable mortgage of certain fixed assets.		
c. The above credit facility is secured by personal guarantee of Shri K B Sarda.		
	<u>7,009,299</u>	<u>8,191,363</u>
<b>Note : 15 Long Term Provisions</b>		
Paid Leave Payable	415,145	415,145
Escrow Fund Provision (Please refer Note : 27)	25,461,728	23,362,735
	<u>25,876,873</u>	<u>23,777,880</u>
<b>Note : 16 Short Term Borrowings</b>		
Asset Based Lending (From State Bank of India)	10,800,000	8,400,000
a. Secured by hypothecation of all current assets of the company both present and future		
b. The above credit facility is further secured by equitable mortgage of certain fixed assets.		
c. The above credit facility is secured by personal guarantee of Shri K B Sarda.		
	<u>10,800,000</u>	<u>8,400,000</u>
<b>Note : 17 Trade Payable</b>		
Trade Payable		
- Due to Micro Enterprises and Small Enterprises	-	-
- Due to Others (Net)	3,070,748	13,549,480
	<u>3,070,748</u>	<u>13,549,480</u>
<b>Note : 18 Employee Benefit Obligation</b>		
Salary Payable	448778	47978
Bonus Payable	567536	620962
Paid Leave Payable	148404	37999
Gratuity Payable	-	169,487
	<u>1,164,718</u>	<u>876,426</u>
<b>Note : 19 Short Term Provisions</b>		
Other Provisions	331,934	372,489
	<u>331,934</u>	<u>372,489</u>
<b>Note : 20 Other Current Liabilities</b>		
Other Payable	959,942	1,855,745
Advances Received From Customers	6,000	-
	<u>965,942</u>	<u>1,855,745</u>
	<u>965,942</u>	<u>1,855,745</u>

# SINNAR BIDI UDYOG LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

Particulars	31.03.2020 RUPEES	31.03.2019 RUPEES
<b>Note : 21 Revenue from Operations</b>		
<b>A) Revenue from Operations (Gross)</b>		
Sales of Tobacco	51,494,978	54,041,581
Sales of By-Products	1,994,278	1,038,660
	<b>53,489,256</b>	<b>55,080,241</b>
<b>B) Other Operating Revenue (Processing Charges)</b>		
Storage Charges	17,094	9,022
	<b>54,770,307</b>	<b>55,535,722</b>
<b>Note : 22 Other Income</b>		
Dividend Received on Shares / Mutual Funds	10,682	8,638
Interest Received	39,559	1,267
Scrap / Bardan Sales	42,466	-
Sundry Receipts	20,648	35,162
Dr Cr Balance Written Off	-	10,907
	<b>113,355</b>	<b>55,974</b>
<b>Note : 23 Cost of Material Consumed</b>		
<b>A) Raw Material</b>		
Opening Stock	66,557,579	73,614,132
Add : Purchases	24,131,650	28,459,520
	<b>90,689,229</b>	<b>102,073,652</b>
Less : Closing Stock	55,213,280	66,557,579
	<b>35,475,949</b>	<b>35,516,073</b>
<b>B) Packing Materials and Stores Consumed</b>		
Opening Stock	697,200	-
Add : Purchases	-	697,200
	<b>697,200</b>	<b>697,200</b>
Less : Closing Stock	222,855	697,200
	<b>474,345</b>	<b>-</b>
<b>(A+B)</b>	<b>35,950,294</b>	<b>35,516,073</b>

# SINNAR BIDI UDYOG LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

Particulars	31.03.2020 RUPEES	31.03.2019 RUPEES
<b>Note : 24 Employee Benefit Expenses</b>		
Salaries, Wages, Bonus, Gratuity and Ex-gratia	8,832,584	9,747,034
Contribution to Provident Fund and Other Funds	1,090,500	1,198,896
Welfare Expenses	104,236	90,516
	<b><u>10,027,320</u></b>	<b><u>11,036,446</u></b>
<b>Note : 25 Finance Cost</b>		
Interest on Working Capital	2,183,323	3,209,746
Interest Other	1,980	248
	<b><u>2,185,303</u></b>	<b><u>3,209,994</u></b>
<b>Note : 26 Other Expenses</b>		
Rent	1,022,400	872,400
Rates and Taxes	240,017	249,790
Insurance	342,495	327,475
Repairs and Maintenance	1,418,779	811,325
Transport, Coolie and Cartages	1,047,570	1,303,213
Travelling and Conveyance	149,434	153,534
Electricity Charges	472,593	575,679
Legal and Professional	707,359	559,851
Printing and Stationery	42,811	49,893
Postage and Telephone Expenses	48,621	49,884
Office Expenses	341,458	271,469
Loss on Sale of Assets	163	-
Bank Commission	3,321	4,522
Welfare Expenses (Farmer)	319,500	266,500
Other Expenses	319,510	353,764
(Including Filing Fees, Listing Fee, Membership & Subscription, Factory Exp, etc.)		
Vehicle Expences	50,578	60,567
Miscellaneous Expenses	17,699	72,695
	<b><u>6,544,308</u></b>	<b><u>5,982,561</u></b>
<b>Note : 27 Exchange rate difference</b>		
Exchange Loss on restatement of Escrow Fund Demand Liability	2,098,993	1,393,970
	<b><u>2,098,993</u></b>	<b><u>1,393,970</u></b>



**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020**

**Note:-**

In past the company used to manufacture and sell 'Bidis'

The Bidis manufactured by the company were sold to Traders / Exporters, who used to export them to various countries. Bidis 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.254.62 Lacs is provided for in the books of the company upto 31st March 2020. (31st March 2019 - Rs 233.63 Lacs) (Refer Note No.15)

During the current year no any fresh demand was made against the company. The current year figure of appearing in Statement of Profit and Loss Rs.20.99 Lacs represents foreign exchange loss on restatement of outstanding liability of escrow fund demand provision already made in earlier years (Previous year : Loss Rs.13.94 Lacs)

Particulars	31.03.2020 RUPEES	31.03.2019 RUPEES
<b>Note : 28 Other Comprehensive Income</b>		
Share of Profit From Associates (TTHZPL)	20,228	4,298
	<b>20,228</b>	<b>4,298</b>
<b>NOTE 29: Contingent Liabilities</b>		
Claims against the company not acknowledged as debts :		
a) Escrow Fund Matter	2,758,969	2,531,528
b) Labour / ESIC Matters	813,514	813,514
No interest is calculated on the above contingent liabilities for want of information.		
	<b>3,572,483</b>	<b>3,345,042</b>

In the opinion of the management, no provision is required against contingent liabilities stated above.

**NOTE 30: Employee Benefit Plans**

- 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, 2020 as certified by the company of Rs. 20,25,423/- (Previous year Rs.19,06,703/-) the Gratuity Fund Trust has investments to the tune of Rs20,57,400/- (Previous year Rs.17,37,216/-) The short fall of Rs NIL (Previous year Rs.1,69,487/-) has been provided for in the accounts of the current year.
- B) Looking at the small number of employees as on 31st March 2020, 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.

The Following table sets out the details of the defined benefit retirement plans and the amounts recognised in the financial statements

## SINNAR BIDI UDYOG LIMITED

	31.03.2020	31.03.2019
	RUPEES	RUPEES
<b>Changes in benefit obligation</b>		
Benefit obligations, beginning of the year	1906703	1855459
Plans assumed on acquisitions		
Service cost	282528	312616
Interest cost	143765	146210
Remeasurement of the net defined benefit liability		
Past service cost / (credit)		
Actuarial (Gains) / Losses on Obligation - due to change in financial assumptions	88371	41910
Actuarial (Gains) / Losses on Obligation - due to experience	(298751)	(236309)
Benefit paid	(97193)	(213183)
<b>Benefit obligations, end of the year</b>	<b><u>2025423</u></b>	<b><u>1906703</u></b>
<hr/>		
	2019-2020	2018-2019
	RUPEES	RUPEES
<b>Changes in plan assets</b>		
Fair value of plan assets, beginning of the year	1737216	1745310
Plans assumed on acquisitions		
Interest income	147890	94940
Employer's contributions	269487	110149
Benefit paid	(97193)	(213183)
Remesurement - return on plan assets excluding amount included in interest income		
<b>Fair value of plan assets, end of the year</b>	<b><u>2057400</u></b>	<b><u>1737216</u></b>
<hr/>		
	2019-2020	2018-2019
	RUPEES	RUPEES
<b>Funded Status</b>		
Deficit of plan assets over obligations		(169487)
Surplus of plan assets over obligations	31977	
	<b><u>31977</u></b>	<b><u>(169487)</u></b>
<hr/>		
	2019-2020	2018-2019
	RUPEES	RUPEES
<b>Category of assets</b>		
Bank balances	2057400	1737216
	<b><u>2057400</u></b>	<b><u>1737216</u></b>

Net periodic gratuity cost, included in employee cost consist of the following components :

	2019-2020 RUPEES	2018-2019 RUPEES
Service cost	282528	312616
Net interest on net defined benefit (asset) / liability	143765	146210
Past service cost / (credit)		
<b>Net periodic gratuity cost</b>	<u>426293</u>	<u>458826</u>
<b>Actual return on plan assets</b>	<u>147890</u>	<u>94940</u>

Remeasurement of the net defined benefit liability / (asset)

	2019-2020 RUPEES	2018-2019 RUPEES
Actuarial (gains) and losses arising from changes in demographic assumptions		
Actuarial (gains) and losses arising from changes in financial assumptions	88,371	41,910
Actuarial (gains) and losses arising from changes in experience adjustments	(298,751)	(236,309)
Remeasurement of the net defined benefit liability		
<b>Total</b>	<u><b>(210,380)</b></u>	<u><b>(194,399)</b></u>

The assumptions used in accounting for the defined benefit plan are set out below :

	2019-2020 RUPEES	2018-2019 RUPEES
Discount Rate	6.82%	7.54%
Rate of increase in compensation levels of covered employees	5.00%	5.00%
Rate of return on plan assets		
Weighted average duration of defined benefit obligations	8	8

# SINNAR BIDI UDYOG LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020.

**Note 31 : Tax Expenses**

**a) Deferred Tax**

	Opening balance	Recognised in the statement of profit and loss	Recognised in other comprehensive income	Closing balance
Property, plant and equipment	(595000)	(29000)	-	(566000)
Employee Benefit	21000	50000	-	(29000)
Other	1766000	(39000)	-	1805000
	1192000	(18000)	-	1210000

**b) Current Tax**

	2019-2020 RUPEES	2018-2019 RUPEES
Current tax	-	-
Prior period tax	-	2340
Deferred tax	(18000)	72000
	(18000)	74340

# SINNAR BIDI UDYOG LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

	2019-2020 RUPEES	2018-2019 RUPEES
<b>Note 32 : Auditors Remuneration</b>		
Auditor remuneration and expense in respect of :		
Statutory audit	75000	75000
Tax Audit	25000	25000
Certification / others	5,000	18,000
<b>Note 33 : Earning Per Share (EPS)</b>		
Profit/(Loss) attributable to Equity Shareholders	(A) (2263299)	(2073962)
Basic / Weighted average nos. of Equity shares outstanding during the year	(B) 400,000	200,000
Nominal Value of Equity Shares	5	10
Basic & Diluted Earning per share	(A/B) (5.66)	(10.37)
<b>Note 34 : Payment provided for or made during the year to Directors :</b>		
Salary to Whole Time Director & CFO	2,715,727	2,595,537
<b>Note 35 : Segment Reporting:</b>		
a) Primary Segment :		
The company considers Tobacco and Tobacco Products and Bidi leaves as one business segment		
b) Secondary Segment : NIL		
i) Sales :-		
Within India	54,770,307	55,535,722
Outside India	Nil	Nil
ii) All Assets and Liabilities of the company are within India except for :-		
Long Term Provisions ( Escrow Fund Liability)	25,461,728	23,362,735
<b>Note 36 : Value Imported and Indigenous Material Consumed.</b>		
<b>Raw Materials Consumed</b>		
Imported	Nil	Nil
Percentage	Nil	Nil
Indigenous	35,475,949	35,516,073
Percentage	100%	100%
<b>Purchase of Stock- in-Trade</b>		
Imported	Nil	Nil
Percentage	Nil	Nil
Indigenous	Nil	Nil
Percentage	Nil	Nil
<b>Note 37 : Earning and Expenditure in Foreign Currency</b>	Nil	Nil

# SINNAR BIDI UDYOG LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

	2019-2020	2018-2019
	RUPEES	RUPEES

**Note 38 : 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. M/s. S.K. Sarda.
7. Sungrowth Manpower Services Pvt Ltd.
8. City Centre Mall Nashik Pvt. Ltd.
9. Sarda Milk & Agro Produce Pvt. Ltd.
10. Sarda Fresh Fruits LLP
11. Rasbihari Properties Pvt. Ltd.
12. Nashik Natural Products Pvt. Ltd.
13. S.K.Sarda Developers Pvt. Ltd.
14. Sungrace Traders LLP

(ii) Relatives / Members of Promoter Group :

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

(iii) Key Management Personnel :

Shri.Madhav Deshpande - Whole Time Director & CFO  
 Shri Bhausahab Pawar - Director  
 Shri.Laxminarayan Karwa - Director  
 Miss. Bharti Sancheti - Director  
 Ms Pratiksha Shah - Company Secretary and Compliance Officer

Sr. No.	Nature of Transaction (Excluding reimbursement)	(Rs.)	(Rs.)
<b>1.</b>	<b>Income / Receipts</b>	-	-
<b>2.</b>	<b>Expenditure / Payments</b>		
	Salary Expenses (Including Employer PF Contribution)		
	Shri.M.D.Deshpande	3,017,297	2,884,008
	Other Expenses		
	Rasbihari Enterprises Ltd.	422,400	422,400
	M/s. Shrirang Kisanlal Sarda	600,000	450,000
<b>3.</b>	<b>Closing Balances</b>		
	<b>Assets</b>	-	-
	Rasbihari Enterpriss Ltd.	2,716,972	2,716,972
	Vidarbha Bidi Ltd.	468,419	468,419
	Tip Top Health Zone Pvt. Ltd.	2,986,909	2,966,681
	STS Exports Ltd.	49,245	49,245
	<b>Security Deposit</b>		
	Rasbihari Enterprises Ltd.	2,85,000	285,000

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

**INDEPENDENT AUDITOR'S REPORT**

To the Members of **SINNAR BIDI UDYOG LIMITED**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the consolidated financial statements of **SINNAR BIDI UDYOG LIMITED** (“the Company”), which comprise the balance sheet as at 31st March 2020, and the consolidated statement of profit and loss, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its profit/loss, and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company does not have any pending litigations which would impact its financial position
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**For SABADRA & SABADRA  
Chartered Accountants**

**Anant N. Sabadra,  
(Registration No.33683)  
FRN : 108921W.  
UDIN : 20033683AAAAAI2101**

**Place : Nashik**

**Date :-29th June 2020**

**ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)  
Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of SINNAR BIDI UDYOG LIMITED ('the Company')**

- i In respect of the Company's fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets were physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- ii As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii As informed to us the Company has not granted loans, unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. The terms and conditions of grant of such loans are not prejudicial to the interest of the Company. There is no schedule of repayment of the loan granted and the account is regular and it is not overdue. The payment of interest is regular.
- iv As explained to us, Company has not granted any loan, investments, guarantees and security during the year ended as at 31st March, 2020.
- v The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable
- vi As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- vii According to the information and explanations given to us, in respect of statutory dues:
  - a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.

- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- viii In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and financial institutions. The Company has not issued any debentures.
- ix The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable.
- x To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv During the year, the Company has not made preferential allotment or private placement of shares and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- xv In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Act are not applicable.
- xvi In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For SABADRA & SABADRA**  
**Chartered Accountants**

Anant N. Sabadra,  
(Registration No.33683)  
FRN : 108921W.  
UDIN : 20033683AAAAAI2101

Place : Nashik  
Date :-29th June 2020

**“Annexure B” to the Independent Auditor's Report of even date on  
the consolidated Financial Statements of SINNAR BIDI UDYOG LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of  
Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over consolidated financial reporting of SINNAR BIDI UDYOG LIMITED (“the Company”) as of March 31, 2020 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over consolidated financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over consolidated financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over consolidated financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over consolidated financial reporting and their operating effectiveness. Our audit of internal financial controls over consolidated financial reporting included obtaining an understanding of internal financial controls over consolidated financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over consolidated financial reporting.

**Meaning of Internal Financial Controls Over consolidated Financial Reporting**

A company's internal financial control over consolidated financial reporting is a process designed to provide reasonable assurance regarding the reliability of consolidated financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over consolidated financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

**Inherent Limitations of Internal Financial Controls Over consolidated Financial Reporting**

Because of the inherent limitations of internal financial controls over consolidated financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over consolidated financial reporting to future periods are subject to the risk that the internal financial control over consolidated financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over consolidated financial reporting and such internal financial controls over consolidated financial reporting were operating effectively as at March 31, 2020, based on the internal control over consolidated financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over consolidated Financial Reporting issued by the Institute of Chartered Accountants of India.

**For SABADRA & SABADRA  
Chartered Accountants**

**Anant N. Sabadra,  
(Registration No.33683)  
FRN : 108921W.  
UDIN : 20033683AAAAAI2101**

**Place : Nashik**

**Date :-29th June 2020**

# SINNAR BIDI UDYOG LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2020.

Particulars	Note No	31.03.2020 RUPEES	31.03.2019 RUPEES
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3	3,904,029	4,280,917
Intangible assets	3	-	-
<b>Financial Assets</b>			
Investments	4	5,814,516	5,794,288
Other Financial Assets	5	693,013	691,647
Deferred Tax Asset (Net)	6	1,210,000	1,192,000
		<b>11,621,558</b>	<b>11,958,852</b>
<b>CURRENT ASSETS</b>			
Inventories	7	55,436,135	67,254,779
<b>Financial Assets</b>			
Trade Receivable	8	23,418,673	21,181,412
Cash and Bank Balances	9	172,860	59,349
Current Tax Asset (Net)	10	31,175	332,747
Other Current Assets	11	247,757	208,187
		<b>79,306,600</b>	<b>89,036,474</b>
<b>Total</b>		<b>90,928,158</b>	<b>100,995,326</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share Capital	12	2,000,000	2,000,000
Other Equity	13	39,708,645	41,971,943
		<b>41,708,645</b>	<b>43,971,943</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
<b>Financial Liabilities</b>			
Long -Term Borrowings	14	7,009,299	8,191,363
Provisions	15	25,876,873	23,777,880
		<b>32,886,172</b>	<b>31,969,243</b>
<b>CURRENT LIABILITIES</b>			
<b>Financial Liabilities</b>			
Short-Term Borrowings	16	10,800,000	8,400,000
Trade Payable	17	3,070,748	13,549,480
Employee Benefit Obligation	18	1,164,718	876,426
Provisions	19	331,933	372,489
Other Current Liabilities	20	965,942	1,855,745
		<b>16,333,342</b>	<b>25,054,140</b>
<b>Total</b>		<b>90,928,158</b>	<b>100,995,326</b>

Summary of Significant Accounting Policies 1&2

The accompanying notes form an integral part of the financial statements 29 to 38

As per our report of even date

For SABADRA & SABADRA,  
Chartered Accountants,

Anant N. Sabadra,  
Mem. No. **033683**

FRN: **108921W**

Place : Nashik

Date : 29th June 2020

For and on behalf of the Board

Laxminarayan Karwa      Director  
DIN - 00333020

Madhav Deshpande      WTD and CFO  
DIN - 00238917

Pratiksha Shah      Company Secretary and Compliance Officer  
Membership No      A-57487

Date : 29th June 2020

# SINNAR BIDI UDYOG LIMITED

## STATEMENT OF CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2020

	Particulars	Refer Note No.	31.03.2020 RUPEES	31.03.2019 RUPEES
<b>Income</b>				
I	Revenue from Operations	21	54,770,307	55,535,722
II	Other Income	22	113,355	55,974
III	<b>Total Revenue (I)</b>		<b>54,883,662</b>	<b>55,591,696</b>
<b>Expenses</b>				
	Cost of material consumed	23	35,950,294	35,516,073
	Employee Benefits Expense	24	10,027,320	11,036,446
	Finance Cost	25	2,185,303	3,209,994
	Depreciation and Amortization Expense	3	378,970	456,572
	Other Expense	26	6,544,308	5,982,561
	Exchange rate difference	27	2,098,993	1,393,970
IV	<b>Total Expenses</b>		<b>57,185,188</b>	<b>57,595,616</b>
V	<b>Profit for the Year</b>		<b>(2,301,527)</b>	<b>(2,003,920)</b>
VII	<b>Tax Expenses</b>			
	Current Tax		-	-
	Prior Period Tax		-	2,340
	Deferred Tax		(18,000)	72,000
			<b>(18,000)</b>	<b>74,340</b>
VIII	<b>Profit / (Loss) for the year</b>		<b>(2,283,527)</b>	<b>(2,078,260)</b>
VI	<b>Other Comprehensive Income</b>			
	Other Comprehensive income from Associates.	28	20,228	4,298
	<b>Profit / (Loss) before Tax</b>		<b>(2,263,299)</b>	<b>(2,073,962)</b>
	Earning Per Equity Share of Face Value of 5/- each.		(5.66)	(10.37)
	Basic		(5.66)	(10.37)
	Diluted			
	Summary of Significant Accounting Policies	1&2		
	The accompanying notes form an integral part of the financial statements 29 to 38.			

As per our report of even date

For SABADRA & SABADRA,  
Chartered Accountants,

Anant N. Sabadra,  
Mem. No. **033683**  
FRN:108921W

Place : Nashik

Date : 29th June 2020

For and on behalf of the Board

Laxminarayan Karwa  
DIN - 00333020

Madhav Deshpande  
DIN - 00238917

Pratiksha Shah  
Membership No

Date : 29th June 2020

Director

WTD and CFO

Company Secretary and Compliance Officer  
A-57487



# SINNAR BIDI UDYOG LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

Particulars	31.03.20 RUPEES	31.03.19 RUPEES
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax and Extraordinary Items	(2,301,526)	(2,003,920)
<b>ADJUSTMENTS FOR :</b>		
Depreciation	378,970	456,572
(Gain) / Loss on Sales of Fixed Assets (Net)	163	-
Adjust. Relating to Earlier Year (Net) / Extraordinary Items	2,098,993	1,393,970
Interest Paid	2,185,303	3,209,994
Dividend on Investments	(10,682)	(8,638)
<b>Operating Profit Before Working Capital Changes</b>	<b>2,351,221</b>	<b>3,047,978</b>
<b>ADJUSTMENTS FOR MOVEMENT IN WORKING CAPITAL</b>		
Trade Payable	(10,478,732)	(3,783,479)
Employee Benefit Obligation	288,292	54,706
Short -Term Provisions	(40,556)	(40,125)
Other Current Liabilities	(889,803)	(295,110)
Trade Receivable	(2,237,261)	16,650,197
Other Current Assets	(39,570)	1,182
Inventories	11,818,646	6,359,355
<b>Cash Generated from Operations</b>	<b>772,237</b>	<b>21,994,704</b>
Direct Taxes Refund / ( Paid ) Net	301,570	-
<b>Cash Flow Before Extra Ordinary Items</b>	<b>1,073,807</b>	<b>21,994,704</b>
<b>Net Cash from / (used in) Operating Activities (A)</b>	<b>1,073,807</b>	<b>21,994,704</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, plant and equipment	(4,245)	(12,595)
Sale of Property, plant and equipment	2,000	-
Balances not considered as Cash and Cash Equivalents - Placed (net)	-	-
Sale of Investments - Non Current	-	-
Dividend Received on Investments	10,682	8,638
Investment in FDR	-	-
Interest Received	-	-
<b>Net Cash from / (used in) Investing Activities (B)</b>	<b>8,437</b>	<b>(3,957)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interest Paid	(2,185,303)	(3,209,994)
Unclaimed Dividend Paid	-	-
Proceeds from Long-term Borrowing	(1,182,064)	(18,826,055)
Proceeds from Short-term Borrowing	2,400,000	-
Proceeds from Other Financial Assets	(1,366)	356
<b>Net Cash from / (used in) Financing Activities (C)</b>	<b>(968,733)</b>	<b>(22,035,693)</b>
<b>Net Cash Inflow/ (Outflow) (A) + (B) + (C)</b>	<b>113,511</b>	<b>(44,945)</b>
Cash and Cash Equivalents as at 01.04.2019 (Opening Balance)	(D) 59,349	104,294
Cash and Cash Equivalents as at 31.03.2020 (Closing Balance)	(E) 172,860	59,349
<b>Net Increase / (Decrease) In Cash Cash Equivalents (E) - (D)</b>	<b>113,511</b>	<b>(44,945)</b>

**Note :**

Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing

Summary of Significant Accounting Policies ( Note 1&2 )

The accompanying notes are an integral part of these financial statements - 29 to 38.

As per our report of even date

For and on behalf of the Board

For SABADRA & SABADRA,  
Chartered Accountants,

Laxminarayan Karwa     Director  
DIN - 00333020

Anant N. Sabadra,

Madhav Deshpande     WTD and CFO  
DIN - 00238917

Mem. No. 033683

FRN:108921W

Place : Nashik

Date : 29th June 2020

Pratiksha Shah     Company Secretary and Compliance Officer

Membership No     A-57487

Date : 29th June 2020

**NOTE: 1****CORPORATE INFORMATION**

Sinnar Bidi Udyog Ltd. ("the Company") is a company domiciled in India, with its registered office situated at 202 2nd Floor Terminal - 975 Nehru Road Vile Parle East Mumbai 400099. The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the BSE Limited in India. The Company is primarily involved in Tobacco processing business.

**NOTE 2:****SIGNIFICANT ACCOUNTING POLICIES****1) Statement of Compliance**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "IND AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016.

These financial statements have been prepared in accordance with IND AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

**2) Use of Estimates**

The preparation and presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized

**3) Revenue Recognition**

Revenue from the sale of products is recognized on transfer of all significant risks and rewards of ownership to the buyer which coincides with dispatch of products to customers.

Interest income is recognized on time proportion basis. Dividend income on investment is accounted for when right to receive is established.

**4) Property Plant and Equipment**

Items of property, plant, & equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost is inclusive of freight, duties, taxes or levies (net of recoverable taxes) and any directly attributable cost of bringing the assets to their working condition for intended use.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Profit or Loss on disposal / scrapping / write off / retirement from active use of an item of property, plant and equipment is recognized in the statement of profit and loss.

**Depreciation / Amortization**

The company has assessed the useful lives of fixed assets as per Schedule II to the Companies Act, 2013. Accordingly, depreciation has been computed on useful lives based on technical evaluation of relevant class of assets including components thereof. Useful lives and residual values are reviewed annually. Depreciation is provided as per the straight-line method computed basis useful lives of fixed assets as follows:

Buildings	: 60 years
Plant & Machinery	: 10 years
Office Equipments	: 5 years
Furniture and fixtures	: 10 years
Vehicles	: 10 years
Information technology equipment	: 3 years

Freehold land is not depreciated, Leasehold land and related improvements are amortized over the period of the lease.

**Intangible Assets**

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licenses which are amortized over license period which equates the useful life ranging between 2-5 years on a straight-line basis.

**5) Financial Instruments**

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

**Cash and Cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**Financial Assets at Amortized Cost**

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

#### **Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss

#### **Financial Liabilities**

Financial liabilities are measured at amortized cost using the effective interest method.

#### **Equity Instruments**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. equity instruments recognized by the Company are recognized at the proceeds received net off direct issue cost.

#### **Investment in associates**

Investment in associates are measured at cost less impairment.

#### **6) Inventories**

a) Raw materials, packing material and consumables are carried at the lower of cost and net realizable value. Cost is determined on a weighted average basis. Purchased goods-in-transit are carried at cost. Work-in-progress is carried at the lower of cost and net realizable value. Stores and spare parts are carried at lower of cost and net realizable value. Finished goods produced or purchased by the Company are carried at lower of cost and net realizable value. Cost included direct material and labour cost and proportion of manufacturing overheads.

b) Book Debts, Advances & Deposits

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

#### **7) Employee / Retirement Benefits**

##### **I) Employee Benefit Plan**

The company makes contributions to Provident Fund, Employee State Insurance, National Pension System etc. for eligible employees and these contributions are charged to statement of profit and loss on accrual basis.

Liability for defined benefit plans i.e. gratuity and unfounded pension is determined based on the actuarial valuation carried by an independent actuary as at the year-end. As these liabilities. are relatively long term in nature, the actuarial assumptions take in account the requirements of the relevant IND AS coupled with a long-term view of the underlying variables / trends, wherever required.

##### **II) Defined Contribution Plan**

Contributions to defined contribution plans are recognized as expense when employees have rendered services entitling them to such benefits.

##### **III) Compensated Absences**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as an actuarially determined liability at the present value of the defined benefit obligation at the Balance sheet date.

**8) Foreign Currency Transactions**

Monetary items denominated in foreign currency as at the Balance Sheet date are converted at exchange rates prevailing on that date. Exchange differences are recognized in the Statement of Profit & Loss.

**9) Borrowing Cost**

Borrowing costs directly attributable to acquisition or construction of items of property, plant and equipment which take substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. All other borrowing costs are charged to the statement of profit and loss in the period in which they are incurred.

**10) Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the asset to the lessee. All other leases are classified as operating leases.

Payments made under operating leases are recognized as an expense in the statement of profit and loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same is recognized as an expense in line with the contractual term.

**11) Income Tax**

Income tax expenses comprises of current tax and deferred tax. Income tax expense is recognized in the statement of profit and loss, except when it related to items recognized in the other comprehensive income or items recognized directly in the equity. In such cases, the income tax expense is also recognized in the other comprehensive income or directly in the equity as applicable.

Deferred taxes are recognized basis the balance sheet approach on temporary differences, being the difference between the carrying amount of assets and liabilities in the balance Sheet and its corresponding tax base, that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent it is probable that future taxable profits will be available against which such assets can be utilized.

**12) Provision and Contingent Liabilities**

Provisions for Contingencies/ Contingent liabilities are recognized / disclosed after evaluation of facts and legal aspects of the matter involved, in line with IND AS 37 on Provisions, Contingent Liabilities and Contingent Assets. Provisions are recognized when the Company has a present obligation (legal/constructive) and on management judgment as a result of a past event, for which it is probable that a cash outflow will be required, and a reliable estimate can be made of the amount of the obligation. As the timing of outflow of resources is uncertain, being dependent upon the outcome of the future proceedings, these provisions are not discounted to their present value.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources, When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be accrued / realized.

### **13) Impairment**

#### **(I) Financial Assets (Other than at fair value)**

The Company assesses at each date of Balance sheet whether a financial asset or a group of financial assets is impaired. IND AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

#### **(II) Non-Financial Assets**

##### **Tangible and Intangible Assets**

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU ) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

### **14) Earning Per Share**

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculation diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020**

Note : 3

**Property, plant and equipment**

(Amount in Rs.)

	GROSS BLOCK		Deductions & Transfers During The Year	DEPRECIATION		NET BLOCK	
	As at 1.4.2019	Additions During The Year		As at 31.03.20	For the Year	Total up to 31.03.20	As at 31.03.2019
	As at 1.4.2019	As at 31.03.20		As at 1.4.2019	Written Back	As at 31.03.20	As at 31.03.2019
Freehold Land	199,859	-	199,859	-	-	199,859	199,859
Buildings	7,050,792	4,201,065	7,050,792	148,406	4,349,471	2,701,321	2,849,727
Plant And Machinery	3,460,015	3,460,015	3,460,015	178,066	2,676,429	783,586	961,652
Electric Installation	777,992	777,992	777,992	8,575	721,068	56,924	65,499
Furniture & Fixture	1,359,179	1,359,179	1,359,179	-	1,330,653	28,526	28,526
Office & Other Equipments	4,000,709	4,245	4,004,954	29,125	3,912,814	92,140	117,020
Computers & Dataprocessing Eqp	49,400	-	49,400	-	48,490	910	910
Vehicles	113,092	-	108,192	14,798	67,429	40,763	57,724
<b>Total</b>	<b>17,011,038</b>	<b>4,245</b>	<b>17,010,383</b>	<b>378,970</b>	<b>13,106,354</b>	<b>3,904,029</b>	<b>4,280,917</b>
<b>Previous Year</b>	<b>16,998,443</b>	<b>12,595</b>	<b>17,011,038</b>	<b>456,572</b>	<b>12,730,121</b>	<b>4,280,917</b>	<b>4,724,894</b>

# SINNAR BIDI UDYOG LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

Particulars			31.03.2020	31.03.2019		
			RUPEES	RUPEES		
<b>Financial Assets</b>						
<b>Note : 4 Investment (In Shares)</b>						
A) Fully Paid-up Equity Shares in Companies						
Company	Numbers		Face Value			
	31-03-2020	31-03-2019	31-03-2020	31-03-2019		
i) Quoted Shares						
Britannia Industries Ltd.	200	100	1	1	6,700	6,700
Castrol India Ltd.	8	8	5	5	240	240
Dabur India Ltd.	600	600	1	1	6,500	6,500
Procter & Gamble Health Limited (Previously known as Merck (India) Ltd.)	10	10	10	10	4,700	4,700
Hindustan Unilever Ltd.	100	100	1	1	21,500	21,500
Novartis India Ltd.	10	10	5	5	3,250	3,250
					42,890	42,890
ii) Unquoted Shares						
Rasbihari Enterprises Ltd.	88496	88496	10	10	2,716,972	2,716,972
STS Exports Ltd.	490	490	100	100	49,245	49,245
Syngenta India Ltd.	100	100	5	5	7,500	7,500
					2,773,717	2,773,717
iii) Unquoted Shares in Associate Company						
Vidarbha Bidi Ltd.	39590	39590	10	10	468,419	468,419
Less : Prov. for Dimunation in value of Investment					468,419	468,419
					-	-
Tip Top Health Zone Pvt Ltd.	3650	3650	100	100	2,986,909	2,966,681
					2,986,909	2,966,681
B) Others Unquoted						
Ordinary Shares in						
National Saving Certificates #			-	-	11,000	11,000
					11,000	11,000
					5,814,516	5,794,288
NOTES						
Quoted Investemnt (Market value)					1,080,161	1,077,527
Unquoted Investemnt (Cost)					5,760,626	5,740,398
# Security Lodged with Sales Tax / Excise Authorities						



## SINNAR BIDI UDYOG LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

Particulars	31.03.2020 RUPEES	31.03.2019 RUPEES
<b>Note 5 : Other Financial Assets</b>		
Security Deposits	660,778	660,778
Deposit with Government Authorities	16,611	16,611
Interest Accrued	15,624	14,258
	<u>693,013</u>	<u>691,647</u>
<b>Note : 6 Deferred Tax Asset (Net)</b>		
Deferred Tax Liabilities		
Property, Plant and equipment	(566,000)	(595,000)
	<u>(566,000)</u>	<u>(595,000)</u>
Deferred Tax Assets		
Provison for Employee Benefits	(29,000)	21,000
Provision for Escrow Fund	1,805,000	1,766,000
	<u>1,776,000</u>	<u>1,787,000</u>
<b>Net Deferred Tax Asset</b>	<u><b>1,210,000</b></u>	<u><b>1,192,000</b></u>
<b>Note : 7 Inventories (At lower of cost or net realisable value)</b>		
Raw Material	55,213,280	66,557,579
Traded Goods / Other Stock	222,855	697,200
	<u>55,436,135</u>	<u>67,254,779</u>
<b>Note : 8 Trade Receivables</b>		
Unsecured considered good unless otherwise stated		
Due within Six Months	23,418,673	21,181,412
	<u>23,418,673</u>	<u>21,181,412</u>
<b>Note : 9 Cash And Bank Balances</b>		
a. Cash on Hand	24,947	28,486
b. <u>With Scheduled Banks :</u>		
In Current Accounts	147,913	30,863
	<u>172,860</u>	<u>59,349</u>
<b>Note : 10 Current Tax Asset (Net)</b>		
Advance Income Tax (Net)	31,175	332,747
	<u>31,175</u>	<u>332,747</u>
<b>Note : 11 Other Current Assets</b>		
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or kind or for value to be received		
Prepaid Expenses	247,757	208,187
	<u>247,757</u>	<u>208,187</u>

# SINNAR BIDI UDYOG LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

Particulars	31.03.2020 RUPEES	31.03.2019 RUPEES
<b>Note 12 : Share Capital</b>		
Authorized		
2,00,000 Equity Shares of Rs.5/- each	20,00,000	20,00,000
Issued, Subscribed and Paid-up		
4,00,000 Equity Shares of Rs.5/- each fully paid (Earlier year 2,00,000 Equity Shares of Rs.10/- each Fully paid)	2,000,000	2,000,000
	<b>2,000,000</b>	<b>2,000,000</b>

**Notes:**

a) With the effect from 31.07.19 share capital Qty is 4,00,000 and face value is 5/-each.

b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

**Equity shares**

	31.03.2020		31.03.2019	
	Number of shares	Amount Rs.	Number of shares	Amount Rs.
At the beginning of the period	400,000	2,000,000	200,000	2,000,000
Issued during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>400,000</b>	<b>2,000,000</b>	<b>200,000</b>	<b>2,000,000</b>

**b) Terms / right attached to equity shares**

There are no special right attached to equity shares other than those specified under provisions of various Acts.

**c) Details of shareholders holding more than 5% shares in the company**

	31.03.2020		31.03.2019	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Equity shares of Rs.5/- each fully paid				
Rasbihari Enterprises Ltd.	116,800	29.20%	58,400	29.20%
Shri.Kisanlal Bastiramji Sarda	105,420	26.36%	52,710	26.36%
Sou.Kiran Kisanlal Sarda	36,340	9.09%	18,170	9.09%
Shri.Shrirang Kisanlal Sarda	27,440	6.86%	13,720	6.86%

**Note 13 : Other Equity**

General Reserve		20,201,000	20,201,000
Retained Earning		21,770,943	23,844,905
Add : Profit / (Loss) for the year		(2,263,298)	(2,073,962)
		19,507,645	21,770,943
		<b>39,708,645</b>	<b>41,971,943</b>

## SINNAR BIDI UDYOG LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

Particulars	31.03.2020 RUPEES	31.03.2019 RUPEES
<b>Note 14 : Long Term Borrowings</b>		
Asset Based Lending (From State Bank of India)	7,009,299	8,191,363
a. Secured by hypothecation of all current assets of the company both present and future		
b. The above credit facility is further secured by equitable mortgage of certain fixed assets.		
c. The above credit facility is secured by personal guarantee of Shri K B Sarda.		
	<u>7,009,299</u>	<u>8,191,363</u>
<b>Note : 15 Long Term Provisions</b>		
Paid Leave Payable	415,145	415,145
Escrow Fund Provision (Please refer Note : 27)	25,461,728	23,362,735
	<u>25,876,873</u>	<u>23,777,880</u>
<b>Note : 16 Short Term Borrowings</b>		
Asset Based Lending (From State Bank of India)	10,800,000	8,400,000
a. Secured by hypothecation of all current assets of the company both present and future		
b. The above credit facility is further secured by equitable mortgage of certain fixed assets.		
c. The above credit facility is secured by personal guarantee of Shri K B Sarda.		
	<u>10,800,000</u>	<u>8,400,000</u>
<b>Note : 17 Trade Payable</b>		
Trade Payable		
- Due to Micro Enterprises and Small Enterprises	-	-
- Due to Others (Net)	3,070,748	13,549,480
	<u>3,070,748</u>	<u>13,549,480</u>
<b>Note : 18 Employee Benefit Obligation</b>		
Salary Payable	448778	47978
Bonus Payable	567536	620962
Paid Leave Payable	148404	37999
Gratuity Payable	-	169,487
	<u>1,164,718</u>	<u>876,426</u>
<b>Note : 19 Short Term Provisions</b>		
Other Provisions	331,934	372,489
	<u>331,934</u>	<u>372,489</u>
<b>Note : 20 Other Current Liabilities</b>		
Other Payable	959,942	1,855,745
Advances Received From Customers	6,000	-
	<u>965,942</u>	<u>1,855,745</u>
	<u>965,942</u>	<u>1,855,745</u>

## SINNAR BIDI UDYOG LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

Particulars	31.03.2020 RUPEES	31.03.2019 RUPEES
<b>Note : 21 Revenue from Operations</b>		
<b>A) Revenue from Operations (Gross)</b>		
Sales of Tobacco	51,494,978	54,041,581
Sales of By-Products	1,994,278	1,038,660
	<b>53,489,256</b>	<b>55,080,241</b>
<b>B) Other Operating Revenue (Processing Charges)</b>		
Storage Charges	17,094	9,022
	<b>54,770,307</b>	<b>55,535,722</b>
<b>Note : 22 Other Income</b>		
Dividend Received on Shares / Mutual Funds	10,682	8,638
Interest Received	39,559	1,267
Scrap / Bardan Sales	42,466	-
Sundry Receipts	20,648	35,162
Dr Cr Balance Written Off	-	10,907
	<b>113,355</b>	<b>55,974</b>
<b>Note : 23 Cost of Material Consumed</b>		
<b>A) Raw Material</b>		
Opening Stock	66,557,579	73,614,132
Add : Purchases	24,131,650	28,459,520
	<b>90,689,229</b>	<b>102,073,652</b>
Less : Closing Stock	55,213,280	66,557,579
	<b>35,475,949</b>	<b>35,516,073</b>
<b>B) Packing Materials and Stores Consumed</b>		
Opening Stock	697,200	-
Add : Purchases	-	697,200
	<b>697,200</b>	<b>697,200</b>
Less : Closing Stock	222,855	697,200
	<b>474,345</b>	<b>-</b>
<b>(A+B)</b>	<b>35,950,294</b>	<b>35,516,073</b>

## SINNAR BIDI UDYOG LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

Particulars	31.03.2020 RUPEES	31.03.2019 RUPEES
<b>Note : 24 Employee Benefit Expenses</b>		
Salaries, Wages, Bonus, Gratuity and Ex-gratia	8,832,584	9,747,034
Contribution to Provident Fund and Other Funds	1,090,500	1,198,896
Welfare Expenses	104,236	90,516
	<b>10,027,320</b>	<b>11,036,446</b>
<b>Note : 25 Finance Cost</b>		
Interest on Working Capital	2,183,323	3,209,746
Interest Other	1,980	248
	<b>2,185,303</b>	<b>3,209,994</b>
<b>Note : 26 Other Expenses</b>		
Rent	1,022,400	872,400
Rates and Taxes	240,017	249,790
Insurance	342,495	327,475
Repairs and Maintenance	1,418,779	811,325
Transport, Coolie and Cartages	1,047,570	1,303,213
Travelling and Conveyance	149,434	153,534
Electricity Charges	472,593	575,679
Legal and Professional	707,359	559,851
Printing and Stationery	42,811	49,893
Postage and Telephone Expenses	48,621	49,884
Office Expenses	341,458	271,469
Loss on Sale of Assets	163	-
Bank Commission	3,321	4,522
Welfare Expenses (Farmer)	319,500	266,500
Other Expenses (Including Filing Fees, Listing Fee, Membership & Subscription, Factory Exp, etc.)	319,510	353,764
Vehicle Expenses	50,578	60,567
Miscellaneous Expenses	17,699	72,695
	<b>6,544,308</b>	<b>5,982,561</b>
<b>Note : 27 Exchange rate difference</b>		
Exchange Loss on restatement of Escrow Fund Demand Liability	2,098,993	1,393,970
	<b>2,098,993</b>	<b>1,393,970</b>

# SINNAR BIDI UDYOG LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

Particulars	2019-2020 RUPEES	2018-2019 RUPEES
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**Note:-**

In past the company used to manufacture and sell 'Bidis'

The Bidi's manufactured by the company were sold to Traders / Exporters, who used to export them to various countries. 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.254.62 Lacs is provided for in the books of the company upto 31st March 2020. (31st March 2019 - Rs 233.63 Lacs) (Refer Note No.15)

During the current year no any fresh demand was made against the company. The current year figure of appearing in Statement of Profit and Loss Rs.20.99 Lacs represents foreign exchange loss on restatement of outstanding liability of escrow fund demand provision already made in earlier years (Previous year : Loss Rs.13.94 Lacs)

**Note : 28 Other Comprehensive Income**

Share of Profit From Associates (TTHZPL)	20,228	4,298
	<b>20,228</b>	<b>4,298</b>

**NOTE 29: Contingent Liabilities**

Claims against the company not acknowledged as debts :

a) Escrow Fund Matter	2,758,969	2,531,528
b) Labour / ESIC Matters	813,514	813,514

No interest is calculated on the above contingent liabilities for want of information.

	<b>3,572,483</b>	<b>3,345,042</b>
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In the opinion of the management, no provision is required against contingent liabilities stated above.

**NOTE 30: Employee Benefit Plans**

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, 2020 ascertained by the company of Rs. 20,25,423/- (Previous year Rs.19,06,703/-) the Gratuity Fund Trust has investments to the tune of Rs 20,57,400/- (Previous year Rs 17,37,216/-) The shortfall of Rs NIL (Previous year Rs.1,69,487/-) has been provided for in the accounts of the current year.

B) Looking at the small number of employees as on 31st March 2020, 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.

The Following table sets out the details of the defined benefit retirement plans and the amounts recognised in the financial statements

	31.03.2020 RUPEES	31.03.2019 RUPEES
<b>Changes in benefit obligation</b>		
Benefit obligations, beginning of the year	1906703	1855459
Plans assumed on acquisitions		
Service cost	282528	312616
Interest cost	143765	146210
Remeasurement of the net defined benefit liability		
Past service cost / (credit)		
Actuarial (Gains) / Losses on Obligation - due to change in financial assumptions	88371	41910
Actuarial (Gains) / Losses on Obligation - due to experience	(298751)	(236309)
Benefit paid	(97193)	(213183)
<b>Benefit obligations, end of the year</b>	<b>2025423</b>	<b>1906703</b>

# SINNAR BIDI UDYOG LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

Particulars	2019-2020 RUPEES	2018-2019 RUPEES
<b>Changes in plan assets</b>		
Fair value of plan assets, beginning of the year	1737216	1745310
Plans assumed on acquisitions		
Interest income	147890	94940
Employer's contributions	269487	110149
Benefit paid	(97193)	(213183)
Remesurement - return on plan assets excluding amount included in interest income		
<b>Fair value of plan assets, end of the year</b>	<b>2057400</b>	<b>1737216</b>
<b>Funded Status</b>		
Deficit of plan assets over obligations		(169487)
Surplus of plan assets over obligations	31977	
	<b>31977</b>	<b>(169487)</b>
<b>Category of assets</b>		
Bank balances	2057400	1737216
	<b>2057400</b>	<b>1737216</b>
Net periodic gratuity cost, included in employee cost consist of the following components :		
Service cost	282528	312616
Net interest on net defined benefit (asset) / liability	143765	146210
Past service cost / (credit)		
<b>Net periodic gratuity cost</b>	<b>426293</b>	<b>458826</b>
<b>Actual return on plan assets</b>	<b>147890</b>	<b>94940</b>
Remeasurement of the net defined benefit liability / (asset)		
Actuarial (gains) and losses arising from changes in demographic assumptions		
Actuarial (gains) and losses arising from changes in financial assumptions	88,371	41,910
Actuarial (gains) and losses arising from changes in experience adjustments	(298,751)	(236,309)
Remeasurement of the net defined benefit liability		
<b>Total</b>	<b>(210,380)</b>	<b>(194,399)</b>
The assumptions used in accounting for the defined benefit plan are set out below :		
Discount Rate	6.82%	7.54%
Rate of increase in compensation levels of covered employees	5.00%	5.00%
Rate of return on plan assets		
Weighted average duration of defined benefit obligations	8	8

**Note 31 : Tax Expenses**

**a) Deferred Tax**

	Opening balance	Recognised in the statement of profit and loss	Recognised in other comprehensive income	Closing balance
Property, plant and equipment	(595000)	(29000)	-	(566000)
Employee Benefit	21000	50000	-	(29000)
Other	1766000	(39000)	-	1805000
	1192000	(18000)	-	1210000

**b) Current Tax**

	2019-2020 RUPEES	2018-2019 RUPEES
Current tax	-	-
Prior period tax	-	2340
Deferred tax	(18000)	72000
	(18000)	74340



# SINNAR BIDI UDYOG LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

Particulars	2019-2020 RUPEES	2019-2018 RUPEES
<b>Note 32 : Auditors Remuneration</b>		
Auditor remuneration and expense in respect of :		
Statutory audit	75000	75000
Tax Audit	25000	25000
Certification / others	5,000	18,000
<b>Note 33 : Earning Per Share (EPS)</b>		
Profit/(Loss) attributable to Equity Shareholders	(A) (2263299)	(2073962)
Basic / Weighted average nos. of Equity shares outstanding during the year	(B) 400,000	200,000
Nominal Value of Equity Shares	5	10
Basic & Diluted Earning per share	(A/B) (5.66)	(10.37)
<b>Note 34 : Payment provided for or made during the year to Directors :</b>		
Salary to Whole Time Director & CFO	2,715,727	2,595,537
<b>Note 35 : Segment Reporting:</b>		
a) Primary Segment :		
The company considers Tobacco and Tobacco Products and Bidi leaves as one business segment		
b) Secondary Segment : NIL		
i) Sales :-		
Within India	54,770,307	55,535,722
Outside India	Nil	Nil
ii) All Assets and Liabilities of the company are within India except for :-		
Long Term Provisions ( Escrow Fund Liability)	25,461,728	23,362,735
<b>Note 36 : Value Imported and Indigenous Material Consumed.</b>		
<b>Raw Materials Consumed</b>		
Imported	Nil	Nil
Percentage	Nil	Nil
Indigenous	35,475,949	35,516,073
Percentage	100%	100%
<b>Purchase of Stock- in-Trade</b>		
Imported	Nil	Nil
Percentage	Nil	Nil
Indigenous	Nil	Nil
Percentage	Nil	Nil
<b>Note 37 : Earning and Expenditure in Foreign Currency</b>		
	Nil	Nil

# SINNAR BIDI UDYOG LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

Particulars	2019-2020 RUPEES	2019-2018 RUPEES
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**Note 38 : 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. M/s. S.K. Sarda.
7. Sungrowth Manpower Services Pvt Ltd.
8. City Centre Mall Nashik Pvt. Ltd.
9. Sarda Milk & Agro Produce Pvt. Ltd.
10. Sarda Fresh Fruits LLP
11. Rasbihari Properties Pvt. Ltd.
12. Nashik Natural Products Pvt. Ltd.
13. S.K.Sarda Developers Pvt. Ltd.
14. Sungrace Traders LLP

( ii ) Relatives / Members of Promoter Group :

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

(iii) Key Management Personnel :

Shri.Madhav Deshpande - Whole Time Director & CFO  
 Shri Bhausahab Pawar - Director  
 Shri.Laxminarayan Karwa - Director  
 Miss. Bharti Sancheti - Director  
 Ms Pratiksha Shah - Company Secretary and Compliance Officer

Sr No. Nature of Transaction ( Excluding reimbursement) :	(Rs.)	(Rs.)
<b>1. Income / Receipts</b>	-	-
<b>2. Expenditure / Payments</b>		
Salary Expenses (Including Employer PF Contribution)		
Shri.M.D.Deshpande	3,017,297	2,884,008
Other Expenses		
Rasbihari Enterprises Ltd.	422,400	422,400
M/s Shrirang Kisanlal Sarda	600000	450,000
<b>3. Closing Balances</b>		
<b>Assets</b>	-	-
Investments		
Rasbihari Enterprises Ltd.	2,716,972	2,716,972
Vidarbha Bidi Ltd.	468,419	468,419
Tip Top Health Zone Pvt.Ltd.	2,986,909	2,966,681
STS Exports Ltd.	49,245	49,245
Security Deposit		
Rasbihari Enterprises Ltd.	285,000	285,000
<b>Liabilities</b>	-	-

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