

SINNAR BIDI UDYOG LIMITED.
Directors' Report

Gentlemen,

Your Directors have pleasure in presenting their Thirty-Nineth Annual Report alongwith the audited statement of accounts for the year ended 31st March, 2013.

Financial Results

	2012-13	2011-12
	(Rs. Lacs)	(Rs. Lacs)
Profit/(Loss) Before Tax	51.40	185.39
Less : Provision for Current Tax	17.00	55.25
Provision for Deferred Tax	1.59	0.19
Prior Period Adjustment Taxation	3.35	Nil
Profit/(Loss) after Tax	29.46	129.95
Add : Balance from Previous year	141.59	11.64
Balance Carried to Balance Sheet	171.05	141.59

Business Operations

During the financial year ended 31st March, 2013 the sales turnover from Tendu Leaves trading was Rs.333.91 lacs. Last year the Company had planned to enter into the segment of tobacco and Company has implemented the same. The major activity of the Company was trading tendu leaves, Tobacco and processing of Tobacco during the year 2012-13. Now the Company is planning to continue the same.

Dividend

The Directors do not recommend any dividend, with a view to retain the profits for further growth of the Company.

Energy, Technology And Foreign Exchange

The information required to be furnished under the Companies (Disclosure of Particulars in the Report of the Board of the Directors) Rules,1988.

The activities of the Company are carried on with the aid of human labour. The manufacturing process does not require power (electrical energy) and offers no scope for absorption of technology.

Public Fixed Deposits :

The total amount of Public Fixed Deposits, accepted without invitation, stood at Rs. 82,01,000/- as at 31st March, 2013.

Personnel

The employer employee relations continued to be cordial during the year. None of the employees received emoluments exceeding the limits set out under section 217 (2A) of the Companies Act,1956.

Directors

Shri. D.P. Devhad and Shri.M D Deshpande , Directors, retire by rotation and being eligible , offer themselves for reappointment.

During the year , Mr. S.P. Baheti, Director has tendered his resignation. The Board places on record its appreciation for services rendered by him during his tenure.

Mr. S.P.Patil was appointed as an additional director on 1st April 2013. He holds office till the ensuing Annual General Meeting. It is proposed to appoint him as a director of the Company , pursuant to the a notice received from shareholder in terms of section 257 of the Act.

Directors' Responsibility Statement

As stipulated in Section 217(2AA) of The Companies Act, 1956, your directors subscribe to the 'Directors Responsibility Statement and confirm that

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- ii) appropriate accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013 and the profit of the company for the year ended 31st March,2013;
- iii) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the annual accounts have been prepared on a going concern basis.

Compliance Certificate From Practicing Company Secretary:

Certificate obtained from M/s.J.H.Ranade & Associates,Company Secretaries,Thane under section 383A of the Companies Act, 1956 is attached to the Directors' Report.

Report on Corporate Governance:

The report on Corporate Governance and the Compliance Certificate provided by M/s J. H. Ranade & Associates, Company Secretaries is attached to the Directors' Report.

In terms of the listing agreement, the board has laid down a code of conduct for all board members. All the board members and senior management personnel have affirmed compliance with the code.

Auditors

Mr.Anand S Daga, Chartered Accountant, Nashik , the Statutory Auditor of the Company retiring at the conclusion of this Annual General Meeting has expressed his unwillingness to be re-appointed as the Statutory Auditor of the Company. In view of the same, it is proposed to appoint Mr. S.D. Bedmutha,Chartered Accountant as the Statutory Auditors of the Company. The Company has received confirmation from Mr. S.D.Bedmutha , Chartered Accountants , to the effect that his appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956.

Acknowledgments

Your Directors take the opportunity to place on record their appreciation for the devoted services of the employees at all levels throughout the year. Your Directors also wish to place on record their appreciation for the assistance and continued co-operation extended by the various Government and non-Government Authorities.

For and on Behalf of
The Board of Directors,

Place : Nashik
Date : 3rd June, 2013

S/d
M.D.Deshpande
Director

S/d
C.B.Patil
Executive Director