



NIWAS
SPINNING MILLS LTD.

Certified True Copy
For Niwas Spinning Mills Ltd.

Managing Director



ANNUAL REPORT 1996-97

MD	<input checked="" type="checkbox"/>	BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>	DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>	DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>	AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
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NIWAS SPINNING MILLS LTD

THIRTEENTH ANNUAL REPORT AND ACCOUNTS 1996-97

BOARD OF DIRECTORS:

Shri. R. J. Jaju	Chairman
Shri. P. U. Oza	
Shri. H. J. Jaju	
Shri. K. R. Choksey	
Shri. R. L. Kabra	
Shri. K. M. Shetty	SICOM Nominee
Shri. V. R. Jaju	Managing Director

REGISTERED OFFICE:

923, Chati Galli, Solapur-413 002

FACTORIES

B-2/2 & B-5,
M.I.D.C.,
Akkalkot Road,
Solapur-413 006.

A-5 & A-8,
M.I.D.C.,
Chincholi
Solapur-413 006

AUDITORS:

H. P. Daga & Co.,
Chartered Accountants,
Solapur-413 007.

BANKERS:

Bank of Baroda
Bank of India
Vikas Sahakari Bank Ltd.

NIWAS SPINNING MILLS LTD

NIWAS SPINNING MILLS LIMITED
REGISTERED OFFICE: 923, CHATI GALLI,
SOLAPUR-413 002

NOTICE

NOTICE is hereby given that the THIRTEENTH ANNUAL GENERAL MEETING of the shareholders of NIWAS SPINNING MILLS LIMITED will be held at Seth Jamnalal Jaju Smarak Bhavan, Jaju Chowk, Bali Ves, Solapur - 413 002 on Saturday the 20th day of December, 1997 at 4.30 p.m. to transact the following business.

ORDINARY BUSINESS:

1. To consider and adopt the audited Profit & Loss Account of the Company for the Year ended 31st March 1997 and Balance Sheet as on that date and to consider Report of the Auditors and Directors thereon.
2. To appoint Director in Place of Mr R. J. Jaju who retires by rotation and being eligible offers himself for re-election.
3. To appoint Director in place of Mr P. U. Oza who retires by rotation and being eligible offers himself for re-election.
4. To appoint Auditors and fix their remuneration

NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and on a poll, vote instead of himself/herself. A proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not later than fortyeight hours before the commencement of the meeting.
2. The register of members and transfer books of the Company will remain closed from 13.12.1997 to 20.12.1997 (both days inclusive).
3. Shareholders intending to require any information to be explained in the meeting are requested to inform the Company at least 7 days in advance in order to enable the Company to make available the required information, with the permission of the Chairman of the meeting.

By Order of the Board of Directors
For NIWAS SPINNING MILLS LTD.

PLACE : SOLAPUR
DATED : 28/06/97

(V R Jaju)
Managing Director.

NIWAS SPINNING MILLS LTD

DIRECTORS' REPORT

To the Members,

The Directors of the Company have pleasure in presenting the THIRTEENTH Annual Report together with the audited statements of accounts for the Company's financial year ended on 31st March, 1997.

FINANCIAL RESULTS: CURRENT PREVIOUS

	YEAR 1996-97 Rs.	YEAR 1995-96 Rs.
Sales	13,31,05,987	13,95,36,549
Operating profit before Interest & Depreciation	2,25,51,785	2,67,47,407
Less: Interest	35,61,875	39,21,218
Gross Profit	1,89,89,910	2,28,26,189
Less: Depreciation	1,02,76,242	57,34,524
Profit Before Tax	87,13,668	1,70,91,665
Provision for Taxation (MAT)	9,89,400	—
Net Profit	77,24,268	1,70,91,665
Add: Balance Brought forward from previous year	2,55,66,062	1,36,98,843
	3,32,90,330	3,07,90,508

APPROPRIATIONS:

Taxation (for 95-96)	9,76,910	12,24,446
Debenture Redemption Reserve	40,00,000	40,00,000
Balance Carried forward	2,83,13,420	2,55,66,062
	3,32,90,330	3,07,90,508

DIVIDEND:

To conserve the resources and in view of tight liquidity position, your Directors are unable to recommend any dividend for the current year. The members will bear with it till the situation improves.

OPERATIONAL RESULTS:

The market conditions continued to be competitive resulting in higher operational costs during the year 96-97. The power fluctuations has affected the production and sales adversely as compared to the preceding year. In spite of the adversities, the Company could earn the net profit of Rs. 87.13 Lacs from the existing unit. The contribution from the new unit was almost negligible, with trial and settle situations, though quality of yarn produced by new unit is very well accepted and even exported substantially. However this unit calls for balancing equipments since all the infrastructure is ready. Your company is trying hard to meet out balance capital expenditure programme and cross break even soon.

CURRENT WORKING:

The financial year 97-98 is expected to be better. The results of expansion programme are materialising. After installation of balance machinery, the capacity utilisation will improve very shortly. This will have its positive impact on production, turnover and profitability. The production/turnover and profitability will be better and company is confident to come out with the better results for the financial year 97-98. Out of 29468 spindles projected, 13968 spindles already installed and production started during this year. As all the infrastructure is ready for pre and post spinning operation for remaining spindles to be installed, as soon as these are installed the operations will be full-fledged as projected. Your company plans to install balance equipment in the near future and reach the estimated targets.

PERFORMANCE v/s PROJECTIONS

Due to delayed expansion programme, the turnover for the year 1996-97 was Rs. 1331/- lacs with Net Profit of Rs. 87/- lacs as against the projection of Rs. 5772/- lacs and Rs. 741/- lacs respectively.

AUDITOR'S REPORT:

The comments of Auditors are dealt with by the notes on accounts which are self explanatory and therefore do not call for any further comments.

NIWAS SPINNING MILLS LTD**DIRECTORS:**

Mr. R. J. Jaju and Mr. P. U. Oza directors of the Company retire by rotation and being eligible offer themselves for re-appointment.

PARTICULARS OF EMPLOYEES:

There are no employees drawing such remuneration as requiring disclosure under section 217 (2A), as amended, of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975.

FIXED DEPOSITS:

The Company has not accepted any deposits from the Public.

ADDITIONAL INFORMATION:

Additional information required to be disclosed in terms of Notification No. 1029 dated 31/12/88 issued by the Department of Company Affairs is annexed hereto about Conservation of energy etc. Other Particulars are not given since they are not applicable.

AUDITORS:

M/s. H.P. Daga & Co., Chartered Accountants, Solapur Auditors of the Company are retiring at the ensuing General Meeting and are eligible for the reappointment and have offered themselves for re-appointment.

COST AUDITORS :

The Central Government has directed cost audit of the Company for the year ending 31-03-1997 and accordingly M/s T. M. Rathi, Cost Accountant has been appointed as cost auditors of the Company.

ACKNOWLEDGMENT :

The Directors wish to place on record their sincere appreciation to the Company's employees at all levels for their dedicated hard-work and also to the Bankers, Mutual Funds, SCICI, ICICI, SICOM and other institutions who have actively lent their support to the Company. The Director also express their gratitude to the Shareholders and Debenture holders for their continued cooperation and support.

By order of the Board of Directors
(For NIWAS SPINNING MILLS LTD)

PLACE : SOLAPUR
DATED : 28/06/97

(R J Jaju)
Chairman

ANNEXURE TO DIRECTOR'S REPORT 1996-97
DISCLOSURE U/S.217(1)(e) OF
THE COMPANIES ACT, 1956

A) CONSERVATION OF ENERGY FORM-A :

	CURRENT YEAR	PREVIOUS YEAR
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(a) POWER & FUEL CONSUMPTION :**1. ELECTRICITY**

a) Purchased : Unit	28,96,106	22,04,606
Total Amount	1,03,81,651	64,71,388
Rate / Unit	Rs. 3.58	Rs. 2.93

b) Own Generation :

(i) Through Diesel Generator :

Units		
Units Per Ltr. of Diesel		
Cost/Unit		

(ii) Through Steam Turbine / Generator : NIL NIL

Units		
Units per Ltr. of Fuel		
Cost / Unit		

2. COAL (Specify Quality

& where used)

Quantity	NIL	NIL
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Total Cost		
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Average Rate		
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3. FURNACE OIL

Quantity Ltr.	6,325	8,453
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Total Cost	55,045	67,963
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Average Rate	Rs. 8.70	Rs. 8.04
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4. OTHER GENERATORS

Quantity	NIL	NIL
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Total Cost		
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Average Rate		
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(b) CONSUMPTION PER UNIT**OF PRODUCTION STANDARDS (IF ANY)**

Products (Yarn)	0.46 Kg	0.59 Kg
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Products (Towel Fabric)	0.23 Kg	0.47 Kg
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Electricity	28,96,106 Units	22,04,606 Units
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Furnace Oil	6,325 Ltr.	8,453 Ltr.
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Coal	NIL	NIL
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Others	NIL	NIL
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B. OTHER INFORMATIONS ABOUT TECHNOLOGY**ABSORPTION & FOREIGN EXCHANGE****EARNINGS AND OUTGO ETC. :****a) Foreign Exchange Earnings and Outgo****1) Foreign Exchange Used**

Value of Direct Import

on CIF basis:

Capital-goods, Stores & Spare parts Rs. Nil.

Traveling Expenses Rs.1,719/-.

2) Earning in Foreign Exchange

i) Direct Export	Rs. 1,56,64,332/-
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ii) Indirect Export	Rs. 1,63,21,413/-
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Total	Rs. 3,19,85,745/-
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NIWAS SPINNING MILLS LTD**AUDITORS' REPORT TO THE SHAREHOLDERS**

We have audited the attached Balance Sheet of NIWAS SPINNING MILLS LIMITED as at 31st March, 1997 and the Profit & Loss Account for the year ended on that date annexed thereto and report that :

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in the said order.

2. Further to our comments in the annexure referred to in paragraph 1 above, we report that :

a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit ;

b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of such books of accounts ;

c) The Balance Sheet and the Profit & Loss Account referred to in this report are in agreement with the books of accounts;

d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to Note No.7 regarding non provision of gratuity liability and read together with the other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :

i) In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 97 and

ii) In so far it relates to the Profit & Loss Account, of the Profit of the company for the Year ended on that date.

**For H. P. Daga & Co.,
Chartered Accountants**

**PLACE : SOLAPUR
DATE : 28/06/97**

**(H P Daga)
Proprietor.**

**ANNEXURE REFERRED TO IN OUR REPORT OF
EVEN DATE**

1. The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets. The Fixed Assets of Company have been physically verified by the management during the year and as explained to us there were no discrepancies between the book records and physical inventory noticed on such verification.

2. None of the Fixed Assets has been revalued during the year.

3. The stocks of finished goods, stores, spare parts and raw materials of the Company in its possession have been physically verified by the management at reasonable intervals.

4. In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.

5. The discrepancies noticed on physical verification of stocks as compared to the book records were not material and these have been properly dealt-with in the books of account.

6. On the basis of our examination of the stock records, we are of the opinion that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.

7. The Company has not taken any loans, secured or unsecured, from companies, firms or other parties as listed in the Register under Section 301 of the Companies Act, 1956 or from companies under the same management as defined under Section 370(1B) of the Companies Act, 1956.

8. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register under Section 301 of the Company Act, 1956 or to companies under the same management as defined under Section 370(1B) of the Company Act, 1956.