

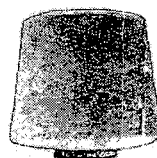
MD	✓		BXC	✓
CS	NA		DPY	NA
RO	✓		INV	NA
TRA	NA	✓	CE	✓
ACM	✓	✓	SII	✓
YE	✓	✓		



NIWAS
SPINNING MILLS LTD.

14th

A N N U A L R E P O R T



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NIWAS SPINNING MILLS LIMITED

FOURTEENTH ANNUAL REPORT AND ACCOUNTS 1997-98

■ 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. M. D. Sohani	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:

Shrigondekar & Associates
Chartered Accountants,
114, Modi, Bhimpure Complex
F-1, First Floor, Near Dak Bunglow
Solapur-413 003.

■ BANKERS:

Bank of Baroda
Bank of India
Vikas Sahakari Bank Ltd.,

NIWAS SPINNING MILLS LIMITED**NOTICE**

NOTICE is hereby given that the FOURTEENTH 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 Wednesday the 30th day of December, 1998 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 1998 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 H. J. Jaju who retires by rotation and being eligible offers himself for re-election.
3. To appoint Director in place of Mr K. R. Choksey 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 23-12-98 to 30-12-98 (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 : 30/11/98**

**(V R Jaju)
Managing Director.**

NIWAS SPINNING MILLS LIMITED**DIRECTORS' REPORT**

To the Members,

The Directors of the Company have pleasure in presenting the **FOURTEENTH** Annual Report together with the audited statements of accounts for the Company's financial year ended on 31st March, 1998.

FINANCIAL RESULTS: CURRENT PREVIOUS

	YEAR 1997-98 Rs.	YEAR 1996-97 Rs.
Sales	24,66,14,759	13,31,05,987
Operating profit before Interest & Depreciation	1,67,74,467	2,25,51,785
Less: Interest	1,57,44,976	35,61,875
Gross Profit	10,29,491	1,89,89,910
Less: Depreciation	1,84,76,215	1,02,76,242
Profit Before Tax	(1,74,46,724)	87,13,668
Provision for Taxation (MAT)	—	9,89,400
Net Profit	(1,74,46,724)	77,24,268
Add: Balance Brought Forward from Previous year	2,83,13,420	2,55,66,062
	1,08,66,696	3,32,90,330
APPROPRIATIONS:		
Taxation	—	9,76,910
Debenture Redemption Reserve	40,00,000	40,00,000
Balance Carried forward	68,66,696	2,83,13,420
	1,08,66,696	3,32,90,330

DIVIDEND :

In view of the operating losses Company regrets its inability to declare the dividend.

OPERATIONAL RESULTS:

The financial year 97-98 proved to be a year of adversities. The cost of main raw material which is Cotton, was increased abnormally and has serious adverse effects of the profitability of the Company which was also due to overall increase in operating costs. All these odds have further worsened the situation by reduction in demand for finished Yarn. However your Company could restrict loss to Rs. 174.46 Lacs due to Plant efficiency and better management policies.

CURRENT WORKING :

The working of the first quarter of current financial year is comparatively better. The demand for the product is gradually, picking up. The inadequacy of working capital is posing same problems which the Company is hopeful to resolve. The financial crunch due to mismatching of the funding Vs Capital expenditure on account of devolvement of Public Issue is still continuing and negotiations are at advance stage under leding banks for funding the gaps.

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.

DIRECTORS :

Mr. H J Jaju and Mr. K R Choksey directors of the Company retire by rotation and being eligible offer themselves for reappointment.

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.

NIWAS SPINNING MILLS LIMITED**AUDITORS:**

M/s. H P Daga & Co., Chartered Accountants, Solapur the erstwhile Auditors of the Company resigned as Auditors. To fill the casual vacancy, an Extra Ordinary General Meeting was convened on 27-11-98 and M/s Shrigondekar Chartered Accountants were appointed as Auditors of the Company to hold the office till the conclusion of fourteenth Annual General Meeting and being eligible offers themselves for reappointment the Board recommends the reappointment of M/s Shrigondekar & Associates, Chartered Accountants, Solapur.

COST AUDITORS :

The Central Government has directed cost audit of the Company for the year ending 31-03-1998 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 fund 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.

For & on Behalf of the Board

PLACE : SOLAPUR
DATED : 30/11/98

(R J Jaju)
Chairman

ANNEXURE TO DIRECTOR'S REPORT 1997-98**DISCLOSURE U/S.217(1)(e) OF THE COMPANIES ACT, 1956****A) CONSERVATION OF ENERGY FORM-A :**

CURRENT YEAR PREVIOUS YEAR

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

a) Purchased : Unit	65,77,717	28,96,106
Total Amount	2,46,12,704	1,03,81,651
Rate / Unit	Rs. 3.74	Rs. 3.58

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
Total Cost	:		
Average Rate	:		

3. FURNACE OIL

Quantity Ltr.	:	NIL	5,600
Total Cost	:	—	49,216
Average Rate	:	—	Rs. 8.79

4. OTHER GENERATORS

Quantity	:	NIL	NIL
Total Cost	:		
Average Rate	:		

(b) CONSUMPTION PER UNIT**OF PRODUCTION STANDARDS (IF ANY)**

Products (Yarn) (Kg)	0.29	0.46
Products (Towel Fabric) (Kg)	—	0.23
Electricity (Units)	65,77,717	28,96,106
Furnace Oil (Ltr.)	—	5,600
Coal	—	—
Others	—	—

B. OTHER INFORMATION 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. Nil

2) Earning in Foreign Exchange

i) Direct Export -	Rs. 2,06,01,462/-
ii) Indirect Export -	Rs. 2,28,32,107/-
Total	Rs. 4,34,33,569/-

NIWAS SPINNING MILLS LIMITED**AUDITORS' REPORT TO THE SHAREHOLDERS**

We have audited the attached Balance Sheet of NIWAS SPINNING MILLS LIMITED as at 31st March, 1998 and the Profit & Loss Account for the year ended on that date annexed thereto and report that :

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.

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

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 ;

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 ;

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

In our opinion and to the best of our information and according to the explanations given to us, the said accounts are 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 :

In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 98 and

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

For SHRIGONDEKAR & ASSOCIATES
Chartered Accountants

PLACE : SOLAPUR
DATE : 30/11/98

(SUHAS G SHRIGONDEKAR)
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.