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NIWAS
SPINNING MILLS LTD.

NIWAS SPINNING MILLS LIMITED

FIFTEENTH ANNUAL REPORT AND ACCOUNTS 1998-99

■ BOARD OF DIRECTORS:

Shri. R. J. Jaju	Chairman
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 FIFTEENTH ANNUAL GENERAL MEETING of the shareholders of NIWAS SPINNING MILLS LIMITED will be held at **Seth Jammalal Jaju Smarak Bhavan, Jaju Chowk, Bali Ves, Solapur - 413 002** on **Thursday the 30th day of December, 1999 at 4.00 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 1999 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 R L Kabra** 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 23-12-99 to 30-12-99 (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 : MUMBAI
DATED : 29/11/99**

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

NIWAS SPINNING MILLS LIMITED**DIRECTORS' REPORT**

To the Members,

The Directors of the Company have pleasure in presenting the **FIFTEENTH** Annual Report together with the audited statements of accounts for the Company's financial year ended on 31st March, 1999.

FINANCIAL RESULTS:	CURRENT YEAR 1998-99 Rs.	PREVIOUS YEAR 1997-98 Rs.
Sales	18,85,45,281	24,66,14,759
Operating profit before Interest & Depreciation	1,09,88,477	1,67,74,467
Less: Interest	2,55,30,999	1,57,44,976
Gross Profit	(1,45,42,522)	10,29,491
Less: Depreciation	2,28,28,574	1,84,76,215
Profit/(Loss) Before Tax	(3,73,71,096)	(1,74,46,724)
Provision for Taxation	—	—
Net Profit/(Loss)	(3,73,71,096)	(1,74,46,724)
Add: Balance Brought Forward from Previous year	68,66,696	2,83,13,420
	(3,05,04,400)	1,08,66,696
APPROPRIATIONS:		
Taxation (95-96)	23,05,286	—
Debenture Redemption Reserve	--	40,00,000
Balance Carried forward	(3,28,09,686)	68,66,696
	(3,05,04,400)	1,08,66,696

DIVIDEND :

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

OPERATIONAL RESULTS :

The financial year 98-99 proved to be a year of adversities. The cost of main raw material which is Cotton, increased abnormally and has serious adverse effects on the profitability of the Company. The Operating cost also showed an upward trend. All these odds further worsened the situation coupled with reduction in demand for finished Yarn. However Company has continued to adopt better management policies and operate plant at its efficient levels. The overall production was badly affected during the year under report due to frequent voltage fluctuation in MSEB power supply and as well it resulted burnt of transformer. To over-come with this problem, now the Company has purchased High Capacity Generator Set and it is expected that production will be hence-forth smooth without any interruption.

CURRENT WORKING :

The working of the first half 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 in progress to cope with situation.

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 :

The Board of Director note with deep regret the sad and untimely demise of Mr. P U Oza. The contribution made by Late Mr P U Oza to the Company has lost a great adviser and a key-man with the demise of Mr P U Oza. Your Company places on record a deep sense of gratitude to the departed soul. Mr. R J Jaju and Mr. R L Kabra 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.

NIWAS SPINNING MILLS LIMITED**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 Shrigondekar & Associates, Chartered Accountants, Solapur Auditors of the Company are retiring at the ensuing General Meeting and are eligible for the re-appointment and have offered themselves for re-appointment. The Board recommends the re-appointment of the auditors.

COST AUDITORS :

The Central Government has directed cost audit of the Company for the year ending 31-03-1999 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 co-operation and support.

For & on Behalf of the Board

PLACE : MUMBAI
DATED : 29/11/99

(R J Jaju)
Chairman

ANNEXURE TO DIRECTOR'S REPORT 1998-99**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	66,10,695	65,77,717
Total Amount	2,50,88,109	2,46,12,704
Rate / Unit	Rs. 3.80	Rs. 3.74

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	NIL
Total Cost :	—	—
Average Rate :	—	—

4. OTHER GENERATORS

Quantity :	NIL	NIL
Total Cost :		
Average Rate :		

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

Products (Yarn)	0.30 Kg	0.29 Kg
Electricity (Units)	66,10,695	65,77,717
Furnace Oil (Ltr.)	—	—
Coal	—	—
Others	—	—

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. Nil

2) Earning in Foreign Exchange Rs. Nil