

16TH
ANNUAL REPORT
1999-2000

NIWAS



NIWAS
SPINNING MILLS LTD.

IIWAS SPINNING MILLS LIMITED

**SIXTEENTH
ANNUAL REPORT AND ACCOUNTS
1999-2000**

■ 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 & ADMINISTRATIVE OFFICE:

406/A, West Mangalwar Peth, 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**DIRECTORS' REPORT**

To the Members,

The Directors of the Company have pleasure in presenting the SIXTEENTH Annual Report together with the audited statements of accounts for the Company's financial year ended on 31st March, 2000.

FINANCIAL RESULTS:

	CURRENT YEAR 1999-2000 (Rs. in Lacs)	PREVIOUS YEAR 1998-1999 (Rs. in Lacs)
Sales	1830.84	1885.45
Operating profit before Interest & Depreciation	33.49	109.88
Less: Interest	923.70	255.31
Gross Profit(+)/Loss(-)	-890.21	-145.43
Less: Depreciation	3392.97	228.29
Profit/(Loss) Before Tax	-4283.18	-373.72
Provision for Taxation	—	—
Net Profit(+)/Loss(-)	-4283.18	-373.72
Add: Balance Brought Forward from Previous year	-328.10	68.67
	-4611.28	-305.05
APPROPRIATIONS:		
Taxation	—	23.05
Debenture Redemption Reserve	—	—
Balance Carried forward	-4611.28	-328.10
	-4611.28	-305.05

DIVIDEND :

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

OPERATIONAL RESULTS :

The year under report continued to be tough. The overall spinning industry passed through a very tight market condition where the demand for yarn was significantly low while the cost of production continued to show an upward trend. The liquidity crunch was felt and the operating margins were hardly existing. Company's continuous efforts to maintain the costs at a minimum possible level restricted the losses to a considerable extent.

CURRENT WORKING :

The situation for the current financial year is far from Satisfactory. The adversities are continuing to insist the restructuring of the overall operations / financial of the Company. The effective measures to restructure the activities, is under active consideration of the management. Due to fast Technology changes and obsolescence, your Company decided to change the method of depreciation from S L M to W retrospectively. The networth of the Company having eroded, the Company is making reference to BIFR under the provisions of SICA, 1985. The effect is self explain in the notes to account.

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. Mr K R Choksey desired not to seek re-election. The Directors would like to place on record its appreciation of the valuable services rendered by Mr K R Choksey during his association with the Company. Mr R L Kabra has expressed his desire to continue to render the professional services in capacity as a Management Consultant while vacating his position as a director.

PARTICULARS OF EMPLOYEES:

There are no employees drawing such remuneration 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 31-03-2000 and accordingly M/s T. M. Rath, 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 : SOLAPUR
DATED : 31/07/2000

(R J Jaju)
Chairman

ANNEXURE TO DIRECTOR'S REPORT 1999-2000
DISCLOSURE U/S. 217(1)(e) OF THE COMPANIES ACT, 1956

A) CONSERVATION OF ENERGY FORM-A :**(a) POWER & FUEL CONSUMPTION :**

	CURRENT YEAR	PREVIOUS YEAR
1. ELECTRICITY		
a) Purchased : Unit	60,55,736	66,10,695
Total Amount	2,42,58,955	2,50,88,109
Rate / Unit	Rs. 4.00	Rs. 3.80
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) (Kg.)	0.35	0.30
Electricity(Units)	60,55,736	66,10,695
Furnace Oil	—	—
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	

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, 2000 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, the Profit and Loss Account and Balance Sheet comply with the requirement of the accounting standards referred to in sub-section (3C) of Section 211 of The Companies Act, 1956.

e) 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 A (4) regarding change in method of depreciation from S L M to W D V retrospectively and effect thereof on the loss of the current year 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, 2000 and

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

For SHRIGONDEKAR & ASSOCIATES

Chartered Accountants

PLACE : SOLAPUR (SUHAS G SHRIGONDEKAR)

DATE : 31/07/2000

Proprietor.

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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 Companies Act, 1956 or to the companies under same management as defined under Section 370(1B) of the Companies Act, 1956.