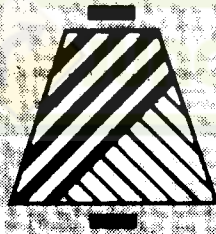


18th

ANNUAL REPORT

2001-2002



NIWAS
SPINNING MILLS LTD.

NIWAS SPINNING MILLS LIMITED**EIGHTEENTH ANNUAL REPORT AND ACCOUNTS 2001-2002****BOARD OF DIRECTORS:**

Shri. R. J. Jaju : Chairman
 Shri. H. J. Jaju : Director
 Shri. V. R. Jaju : Managing Director

REGD. & ADMN. OFFICE:

406/A, West Mangalwar Peth
 Chatti Galli, Solapur-413002.

FACTORIES:

Unit - I	Unit - II
M.I.D.C.	M.I.D.C.
Akkalkot Road	Chincholi
Solapur-413006.	Solapur-413255.

AUDITORS

Shrigondekar & Associates
 Chartered Accountants
 114, Modi, Bhimpure Complex
 F-1, First Floor, Near Dak Bunglow
 Solapur-413003.

BANKERS:

Bank of Baroda
 Bank of India
 Vikas Sahakari Bank Ltd.

NOTICE

NOTICE is hereby given that the EIGHTEENTH ANNUAL GENERAL MEETING of the shareholders of NIWAS SPINNING MILLS LIMITED will be held at 406/A, West Mangalwar Peth, Solapur 413 002 on Saturday, the 6th day of July, 2002 at 3.30 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 2002 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 reelection.
3. 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 18-07-2001 to 25-07-2001 (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.

PLACE: SOLAPUR

DATED: 01/06/2002

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

(V. R. Jaju)
 Managing Director

NIWAS SPINNING MILLS LIMITED**DIRECTORS REPORT**

To the members,

The Directors of the Company have pleasure in presenting the EIGHTEENTH Annual Report together with the audited statements of accounts for the Company's financial year ended on 31st March 2002.

DIVIDEND:

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

OPERATIONAL RESULTS/CURRENT WORKING :

The financial year 2001-2002 was yet another year of tough times. The operating costs continued to increase while the margins were always under pressure. The Company could curtail its losses to Rs. 19.94 crores due to cost reduction policies and better management techniques.

The current financial year 2002-2003 has just begun and year directors look forward for better results in this year.

AUDITOR'S REPORT :

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

DIRECTORS :

Mr H J Jaju director of the Company retire by rotation and being eligible offer himself 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.

The Second reference filed with BIFR too was rejected. The petition is admitted by the High Court. With the present erosion of the net worth, the Company proposes to file a fresh petition with BIFR.

CORPORATE GOVERNANCE :

Company's philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facts of its operations and in all interactions with its stakeholders including the shareholder, employees, government and lenders. Company is committed to achieving the highest standards of corporate governance. Company believes that all its operations & actions must serve the underlying goal of enhancing overall corporate value.

DIRECTORS RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed;

- that in the preparation of the annual accounts for the financial year ended 31st March 2002, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review ;
- that the directors had taken proper and sufficient care for the maintenance of adequate accounting record 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;
- that the directors had prepared the accounts for the financial year ended 31-03-2002 on a "going concern" basis.

AUDITORS :

M/s Shrigondekar & Associates, Chartered Accountants, Solapur Auditors of the company are retiring at the ensuing General Meeting and are eligible for 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 31-03-2002 and accordingly M/s T M Rathi, Cost Accountant has been appointed as cost auditors of the Company.

ACKNOWLEDGEMENT :

The Director 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.

PLACE : SOLAPUR
DATED : 13/04/2002

For & on behalf of the Board
(V. R. Jaju)
Managing Director

**ANNEXURE TO DIRECTORS REPORT 2001-2002
DISCLOSURE U/S. 217(1)(e) OF THE COMPANIES ACT, 1956**

CONSERVATION OF ENERGY FORM-A :

	CURRENT YEAR	PREVIOUS YEAR
(a) POWER & FUEL CONSUMPTION		
ELECTRICITY		
a) Purchased Unit	49,54,855	58,52,886
Total Amount	1,97,47,844	2,36,24,547
Rate / Unit	Rs. 3.98	Rs. 4.04
b) Own Generation	: NIL	NIL
COAL (Specify Quality & Where used)	: NIL	NIL
FURNACE OIL	: NIL	NIL
OTHER GENERATORS	: NIL	NIL
(b) CONSUMPTION PER UNIT OF PRODUCTION STANDARDS (IF ANY)		
Products (Yarn)	0.33 Kg	0.24 Kg
Electricity	49,54,855 Units	58,52,886 Units
Furnace Oil/Coal/Others	—	—

B. OTHER INFORMATIONS ABOUT TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO ETC.

- Foreign Exchange Earnings and Outgo

Foreign Exchange used Value of	
Direct Import on CIF basis;	
Capital goods, Stores & Spare parts	Rs. Nil
Travelling Expenses	Rs. Nil
- Earning in Foreign Exchange

	Rs. Nil
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