

# NIWAS SPINNING MILLS LIMITED

## THIRTY THIRD ANNUAL REPORT AND ACCOUNTS 2016-2017

### BOARD OF DIRECTORS

Shri. R. J. Jaju : Chairman (Till 01/09/2017)  
Shri. V. R. Jaju : Managing Director  
Shri. A. V. Jaju : Director  
Shri. M. R. Daga : Additional Director (Appointed w.e.f. 01/09/2017)

CIN : L17110PN1984PLC032702

### REGD. & ADMN. OFFICE

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

### FACTORIES

Unit  
B-2/2 & A-5, A-8 M.I.D.C.  
Solapur-413006.

### AUDITORS

B. M. Gattani & Co.  
Chartered Accountants  
B-303, 3rd Floor, B-702 Om Sai Shravan CHS  
Opp. Shimpoli Telephone Exchange  
Shimpoli, Borivali (W)  
Mumbai - 400 092.

### BANKERS

Bank of India  
Vikas Sahakari Bank Ltd.  
IDBI Bank

### NOTICE

NOTICE is hereby given that the THIRTY THIRD ANNUAL GENERAL MEETING of the shareholders of NIWAS SPINNING MILLS LIMITED will be held on Friday, the 29th September 2017 at B-2/2, M.I.D.C., Akkalkot Road, Solapur - 413 006 to transact the following business.

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements of the Company for the year ended 31<sup>st</sup> March 2017 along with the Reports of the Auditors' and Directors' thereon.
2. To appoint Director in place of Mr. Aditya Jaju (DIN: 02625781) who retires by rotation and being eligible, offers himself for re-appointment
3. To appoint M/s R. K. Patni & Co. as statutory Auditors of the Company. To consider and if thought fit, to pass the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142, 143 (8) and other applicable provisions, if any of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification (s) or re-enactment (s) thereof for the time being in force) and other applicable provisions if any, M/s. R. K. Patni & Co., Chartered Accountants, Navi Mumbai, (FRN 131257W), be and are hereby appointed as the Statutory auditors of the Company for a period of 5 years from the conclusion of 33rd Annual General Meeting until the conclusion of 38th Annual General Meeting subject to ratification of the appointment by the Members at every subsequent Annual General Meeting, at such remuneration plus applicable taxes and out of pocket expenses, as may be determined and recommended by the Audit Committee and approved by the Board of Directors of the Company."

### SPECIAL BUSINESS :

4. To approve the Re-appointment of Mr. V. R. Jaju as Managing Director

To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder (including any statutory modifications or re-enactments thereof for the time being in force) read with Schedule V to the Companies Act, 2013 and on recommendation of Nomination & Remuneration Committee and subject to such sanctions as may be necessary, approval of the Members be and is hereby accorded to the re-appointment of Shri. V. R. Jaju (DIN: 00081475) as Managing Director of the Company for the 3 (Three) years term commencing from 01-01-2017 till 31-12-2019 on following terms and conditions:

## NIWAS SPINNING MILLS LIMITED

1. **Salary** : Rs. 75,000/- (Rupees Seventy Five Thousand Only) per month.

2. **Commission** : At the rate of 1% of the net profits of the Company for the financial year subject to a maximum as may laid down by the Board of Director from time to time.

### 3. **Perquisites** :

- i. Contribution to Provident Fund and Superannuation Fund to the extent these either singly or put together are not taxable under the Income Tax Act.
- ii. Gratuity at the rate of one month's salary for each completed year of service.
- iii. Leave with full pay as per the rules of the Company, encashment of unavailed leave being allowed at the end of the tenure.
- iv. Free furnished residential accommodation with gas, electricity, water and furnishings or un-furnished accommodation with gas, electricity and furnishings and Company's furniture on rental basis as per scheme applicable to the Senior Executives of the Company.
- v. Re-imbursement of medical expenses incurred in India or abroad and including hospitalization, nursing home and surgical charges for himself and family.
- vi. Re-imbursement of traveling expenses for proceeding on leave from Solapur to any place in India and return there from once in a year in respect of himself and family.
- vii. Re-imbursement of servant's salary, subject to a maximum of two servants on a salary of up to Rs. 3000 per servant per month.
- viii. Re-imbursement of membership fees for clubs.
- ix. Personal accident insurance policy in accordance with the scheme applicable to the senior employees.
- x. Free use of Company's car for Company's work as well as for personal purposes along with driver.

Provided that in the event of absence or inadequacy of profit in any year, Shri V R Jaju will be paid the above remuneration as minimum remuneration except that:

1. No commission will be paid.
2. Gratuity will be allowed at the rate of 15 days salary of every year of service, and
3. The monetary value of perquisites at (iv) to (ix) above shall not exceed Rs. 2,00,000 in a financial year.
4. Other Terms :

- a. He shall not be liable to retire by rotation as long as he is holding the post of Managing Director of the Company.

- b. He shall not divulge or disclose any confidential information or knowledge obtained by him as to the business or affairs of the Company; and

- c. He shall be entitled to Compensation for Loss of Office in the event, manner and to the extent provided in Section 191 of the Act.

"FURTHER RESOLVED that the Board of Directors, be and is hereby authorised to alter and vary terms and conditions and remuneration (including minimum remuneration in case of absence or inadequacy of profits) in such manner as the Board may deem fit and as acceptable to Shri. V. R. Jaju within the limits specified in Schedule V to the Companies Act, 2013 or any amendment(s) thereto."

"FURTHER RESOLVED that Shri. V. R. Jaju be entrusted with substantial powers of management and power to perform such functions as may from time to time be decided by the Board of Directors"

"FURTHER RESOLVED that the Board of Directors of the Company be and are hereby authorized to take and/or cause to be taken such steps and actions as may be necessary and expedient to give effect to this Resolution."

### 5. **To Appoint Shri Mitesh Ramkisan Daga (DIN: 00082175) as Director of the Company**

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** Shri. Mitesh Ramkisan Daga (DIN: 00082175), who was appointed by the Board of Directors, as an Additional Director of the Company, with effect 01<sup>st</sup> September, 2017, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules 2014, (including any statutory modification(s) or reenactment(s) thereof for the time being in force), and Articles of Association of the Company, being eligible for appointment and in respect of whom, the Company has received a notice in writing along with the requisite deposit from a Member under Section 160 of the Act, proposing his

## NIWAS SPINNING MILLS LIMITED

candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

For NIWAS SPINNING MILLS LTD.

PLACE : SOLAPUR  
DATED : 01/09/2017

(V. R. Jaju)  
Managing Director  
DIN : 00081475

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING

Pursuant to the provisions of the Companies Act, 2013 and rules made thereunder, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member.

2. An Explanatory Statement pursuant to Sec. 102 of the Companies Act, 2013 in respect of Special business proposed to be transacted at the Meeting is annexed and forms part of the Notice.
3. The Register of Members and the Share Transfer books of the Company will remain closed from Thursday, 22<sup>nd</sup> September, 2017 to Friday, 29<sup>th</sup> September, 2017 (both days inclusive).
4. Members are requested to intimate any change in their address to the Company at the earliest quoting their Folio Numbers.
5. The Members who will hold the shares either in physical form or in dematerialized form as on 01<sup>st</sup> September, 2017 will receive the Notice of AGM and Annual Report for the Financial Year ended 31<sup>st</sup> March, 2017.
6. The Members/Proxies/Representatives attending the Meeting are requested to bring their Attendance Slip sent herewith duly filled and signed alongwith Annual Report.
7. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company duly certified copy of the relevant Board resolution/ Authority Letter authorizing such a representative to attend and vote on their behalf at the meeting.
8. The Company or its Registrar and Share Transfer Agent, M/s. Purva Sharegistry (India) Pvt. Ltd. ("Purva") cannot act on any request received directly from the Members holding shares in

electronic form for any change of bank particulars or bank mandates or for change in their address. Such changes are to be advised only to the Depository Participant by the Members. Thus, Members holding shares in electronic form are hereby requested to inform immediately of any change in the Bank details or address to their Depository Participants. The Members holding shares in physical form and desirous of registering change in their address or bank details already registered against their respective folios are requested to write to the Company or to the Registrar and Share Transfer Agent.

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their respective Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar and Share Transfer Agents.
10. In view of the 'Green Initiative in Corporate Governance' introduced by the Ministry of Corporate Affairs vide its Circular No 17/2011 dated 21.04.2011, all members who are holding shares of the Company in physical mode, are requested to register their e-mail IDs, so as to enable the Company to send all notices/reports/documents/intimations and other correspondence etc. through e-mails, in the electronic mode instead of receiving physical copies of the same. For registering your email ID, kindly send your email ID details to 'niwas\_mill@rediffmail.com'. The Members holding shares in Demat mode, who have not registered their e-mail IDs with DPs, are requested to register/update their email IDs with their DPs.
11. Members may also note that the Notice of the 33<sup>rd</sup> AGM will also be available on the website of CDSL viz. [www.evotingindia.com](http://www.evotingindia.com) for their download. For any communication/information, the members may also send requests to the Company at: [niwas\\_mill@rediffmail.com](mailto:niwas_mill@rediffmail.com)
12. All relevant documents referred in the Notice shall be open for inspection by the members at the Registered Office of the Company during the normal business hours (10.00 a.m. to 6.00 p.m.) on all working days.
13. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements

## NIWAS SPINNING MILLS LIMITED

in which directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.

14. In case, of joint holders attending the AGM, only such joint holder who is higher in order of names will be entitled to vote.
15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Registrar and Share Transfer Agents, for consolidation into single folio.
16. All queries relating to Share Transfer and allied subjects should be addressed to the Company.

### 17. VOTING PROCESS

#### A. Voting through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide to its Members, facility to exercise their right to vote on resolutions proposed to be considered at the 33<sup>rd</sup> AGM by electronic means i.e. "Remote e-voting". The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("Remote e-voting") will be provided by Central Depository Services Limited (CDSL). The Company has appointed Mr. Suhas Ganpule Company Secretary in practice, Mumbai, to scrutinize the voting process (both Remote e-voting and voting process at the AGM) in a fair and transparent manner. The details of the process and manner of Remote e-voting is explained herein below:

In case a Member receives an e-mail from CDSL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

Open your web browser during the e-voting period. Remote E-voting period begins from Tuesday, 26th September, 2017 (9.00 a.m.) and ends on Thursday, 28th September, 2017 (5.00 p.m.). During this Period, shareholders holding shares either in physical form or dematerialized form, as

on Friday, 22nd September, 2017, being cut-off date/entitlement date, may cast their vote electronically. The e-voting shall be disabled by CDSL for voting thereafter.

Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of Notice and holding shares as of the cut-off date i.e. Friday, 22nd September, 2017 may obtain the Sequence Number (if PAN is not updated with Depository Participant or Company) by sending a request at [busicomp@vsnl.com](mailto:busicomp@vsnl.com) or [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) by mentioning their Folio No./DP Id and Client ID No.

- (i) Log on the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.

If you are a first time user follow the steps given

below:	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Address Sticker.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.



## NIWAS SPINNING MILLS LIMITED

- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be

downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

### (xviii) Note for Non-Individual Shareholders and Custodians

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the Entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) which they wish to vote on.

The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

### B. In case of members receiving the physical copy:

- (a) Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
- (b) The voting period begins on Tuesday, 26th September, 2017 (9.00 a.m.) and ends on Thursday, 28th September, 2017 (5.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

### C. Voting at the Annual General Meeting

## NIWAS SPINNING MILLS LIMITED

- (i) Pursuant to the provisions of Rule 20 of Companies (Management and Administration) Rules 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015, the Company is also offering the facility for voting by way of ballot paper at the AGM.
- (ii) The Members attending the AGM, who are entitled to vote, but have not cast their vote by remote e-voting shall be able to exercise their voting rights at the AGM through ballot paper. A member may attend the AGM even after exercising his/her right to vote through remote e-voting but shall not be allowed to cast their vote again at the AGM.
- (iii) At the end of discussion on the Resolutions on which voting is to be held at the AGM, the Chairman shall allow voting, by use of ballot paper only to those members who have not cast their votes by availing the remote e-voting facility.
18. The voting rights of Members shall be in proportion to the shares held by them on the paid up equity share capital of the Company as on cut-off date being, Friday 22nd September, 2017. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of Remote e-voting or voting at the AGM through ballot paper.
19. The Scrutinizer shall immediately after conclusion of the AGM shall first count the votes cast through Ballot Paper at AGM and thereafter shall unblock the votes cast through Remote E-Voting in presence of at least two witnesses (who shall not be in employment of the Company). The scrutinizer shall submit his report not later than three days from the conclusion of the AGM to the Chairman or to a person authorized by him in writing who shall countersign the same and declare the results.
20. The result declared by Chairman or by a person authorized by him in writing along with the Scrutinizers' Report shall be immediately placed at the Registered Office of the Company and on website of CDSL i.e. [www.cdslindia.com](http://www.cdslindia.com) after the declaration of results. The result shall also be communicated to BSE Limited.
21. The resolutions listed in the Notice of 33rd AGM shall be deemed to be passed on the date of the AGM, subject to the receipt of the requisite number of votes in favour of the respective resolutions.

FOR NIWAS SPINNING MILLS LTD.

PLACE : SOLAPUR

V. R. Jaju

DATE : 01.09.2017

Managing Director

### ANNEXURE TO NOTICE

(Explanatory Statement pursuant to Section 102(2) of the Companies Act, 2013)

#### Item No. 4 of Notice:

The terms of appointment of Shri. V. R. Jaju as Managing Director last fixed, expires on 31-12-2016. The Board of Directors at its meeting held on 30th April, 2017 on recommendation of the Nomination and Remuneration Committee had re-appointed Shri. V. R. Jaju as Managing Director of the Company for the term of 3 (Three) years commencing from 01-01-2017. His appointment and remuneration is fixed in accordance with Schedule V to the Companies Act, 2013, or any statutory amendment or relaxation thereof.

Shri. V. R. Jaju is B.Com. by qualification. He has 37 years of experience in the field of Textiles.

Further, pursuant to the provisions of Section 196 of the Companies Act, 2013 and relevant Rules made thereunder, the terms and conditions of the appointment of Managing Director requires approval of the shareholders of the Company. Therefore, approval of the Shareholders is being sought for the approval of Re-appointment of Managing Director by way of an Ordinary Resolution.

Shri V. R. Jaju himself, the proposed appointee, and Shri. A. V. Jaju being relatives of Shri V R Jaju are interested in this Resolution.

1. Nature of industry	Textiles	
(2) Date of expected date of commencement of commercial production	19/04/1984	
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	NA	
(4) Financial performance based on given indicators	Particulars	(Rs. in Lakhs)
	Gross Sales	635.23
	Profit/(Loss) after tax	71.21
	Rate of Dividend	Nil
	Earnings per share(In Rs.)	0.5
(5) Foreign investments or collaborations, if any	NA	

## NIWAS SPINNING MILLS LIMITED

### II. Information about the appointee:

(1) Background details	Mr. V. R. Jaju is from well known Jaju family. The family is in the textile business since approx 7 decades and also in manufacturing line since approx around 4 decades.
(2) Past remuneration	25,000 per month
(3) Recognition of awards	-
(4) Job profile and his expertise	Mr. V. Jaju is having 37 years of vast experience in textile field. He does manufacturing of 4 units. He is well known the technical field of textile industry.
(5) Remuneration proposed	75,000 per month plus 15% profit of the Company
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the appointee and person in case of experience (the relevant details could be with respect to the country of his origin)	The remuneration of textile commercial service in similar spinning industry is more than 1 Lacs + Perks p.m. The proposed remuneration is reasonable comparatively in the textile spinning industry.
(7) Potential relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. A. V. Jaju, Director of the Company is Son of Managing Director Mr. V. R. Jaju. Mr. Vijay Jaju is also Promoter of the Company.

### III. Other Information :

(1) Reasons of loss or inadequate profits	Due to the failure of public issue, short raising of funds for Company's unit no. 3, Company accrues losses in the past.
(2) Steps taken or proposed to be taken for improvement	The Company has settled the financial dues. So henceforth no burden of financial charges.
(3) Expected increase in productivity and profits in measurable terms.	The Company is concentrating in lowering production cost and adequate measures for quality production are taken. This will have impact of increase in productivity and profits of the Company in coming years. It is estimated that due to lowering of financial charges and quality production, the profit is expected to be increased.

A brief profile of Mr. Vijay Jaju, the nature of his expertise, and the names of companies in which he holds directorships along with the details of Membership /Chairmanship on various committees of the Board of other companies, shareholding in the Company and relationship amongst the Directors, inter-se, is annexed to this Notice.

#### Item No. 5 of the Notice

Appointment of Shri Mitesh Ramkisan Daga (DIN: 00082175) as Director of the Company

Shri Mitesh Ramkisan Daga was appointed as an Additional Director of the Company w.e.f. 01<sup>st</sup> September, 2017 As per the provisions of Section 161 of the Companies Act, 2013, he continues to hold office as a Director up to the date of the ensuing i.e. 33rd Annual General Meeting of the Company. Further, pursuant to section 160 of the Companies Act, 2013 the Company had also received a notice along with the requisite Deposit from the Shareholder proposing his candidature for the office of Director.

Accordingly, as required by Section 160 of the Companies Act, 2013 approval of the Members is being sought for the appointment of Shri Mitesh Ramkisan Daga as a Director of the Company by way of an Ordinary Resolution.

A brief profile of Mr. Mitesh Daga, the nature of his expertise, and the names of companies in which he holds directorships along with the details of Membership /Chairmanship on various committees of the Board of other companies, shareholding in the Company and relationship amongst the Directors, inter-se, is annexed to this Notice.

Except Shri Mitesh Ramkisan Daga, none of the Promoters, Directors, Managers, Key Managerial Personnel, or their Relatives, either directly or indirectly is concerned or interested in the above Resolution.

### ANNEXURE TO ITEMS 2, 4 & 5 OF THE NOTICE

#### Details of Directors seeking re-appointment/appointment at the 33<sup>rd</sup> Annual General Meeting (In pursuance of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015).

Name of the Director	Aditya Vijaykumar Jaju	Vijay Ramniwas Jaju	Mitesh Ramkisan Daga
Date of Birth	06/12/1989	24/07/1960	28/07/1976
Age	28 Years	57 Years	41 Years
Date of Appointment	25/08/2009	19/04/1984	01/09/2017
Pan No.	ALQP2408Q	AATPJ7387G	AAZPD1285D
Din No.	2625781	81475	82175
Expertise in specific functional areas	Over 5 years of experience in Textile Industry	He has over 37 years of experience in the real Textiles Industry.	18 Years of experience in Textile Industry.
No. of equity shares held in Niwas spinning Mills Limited.	330	9825	NIL
Qualifications	B.Com	B.Com	B.Com
List of other directorships in listed entities (Other than Niwas spinning Mills Limited.)	NIL	NIL	NIL
Membership/Chairman of Committees of the other listed entities (Other than Niwas spinning Mills Limited.)	NIL	NIL	NIL
Relationships, if any, between Directors inter se	He is son of Mr. V.R. Jaju	He is father of Mr. A.V. Jaju	-

FOR NIWAS SPINNING MILLS LTD.

PLACE : SOLAPUR

(V.R. Jaju)

DATE : 01.09.2017

Managing Director

## NIWAS SPINNING MILLS LIMITED

**NIWAS SPINNING MILLS LIMITED**  
CIN - L17110PN1984PLC032702  
R. O: 406/A, (W) MANGALWAR PETH,  
CHATI GALLI, SOLAPUR - 413 002.

### DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 33<sup>rd</sup> Annual Report on the business and operations of the Company and the accounts for the financial year ended March 31st, 2017.

#### 1. FINANCIAL SUMMARY / PERFORMANCE OF THE COMPANY:

The sale during the year under report is **635.24 Lacs**, due to corrective measures taken by the management, the company succeeded to minimize its losses, the profit before interest, depreciation is decreased compared to previous year, the profit before interest, depreciation is decreased compared to previous year. The Directors are hopeful of continuing the progress in the years to come.

##### • Financial Highlights:

	Current Period 2016-17	Previous Period 2015-16
Sales	635.24	509.27
Other Income	30.73	13.72
Total Income	665.97	523
Profit / (Loss) before interest, depreciation, exceptional item	4.85	-84.85
Loss		
• Financial Cost	15.94	43.03
• Depreciation	60.1	68.46
Profit / (Loss) before exceptional items & taxes	-71.21	-196.33
Less : Exceptional items (Net)	NII	NII
Profit/(Loss) before tax (A)	-71.21	-196.33
Tax Provision	NII	NII
Profit / (Loss) after tax	-71.21	-196.33
Profit/(Loss) from discontinuing operations	--	733.21
Tax expense of discontinuing operations	--	--
Profit/(Loss) from Discontinuing operations (B)	--	733.21
Net Profit/(Loss) for the period (C) = (A)+(B)	-71.21	-536.88

##### • Debt Restructuring:

The major debts of the Company are crystallized and settled. Over the year the Company has paid large amount towards past debt liabilities and remaining debts are being paid in accordance with the restructured terms.

#### 2. DIVIDEND:

In view of the accumulated losses and loss for the year, the Board decided not to recommend any dividend for the year under review.

#### 3. RESERVES:

In view of the accumulated losses and loss for the year, your Company do not transfer any amount to the Reserves.

#### 4. BRIEF DESCRIPTION OF COMPANY'S WORKING:

Company operates in one segment i.e. Textiles. There is no division of the Company.

##### • Industry Structure and Business Overview:

The textile industry plays a crucial role in the Indian economy. It has a significant weight in the industrial production. The Company enjoys the excellent relationship with its customers, which has been built over the years by strictly adhering to delivery schedules maintaining consistent quality and providing prompt after sales service.

##### • Risk Management:

The Company has laid down procedures to inform the members of the Board about the risk assessment and minimization procedures which is periodically reviewed by the Board.

##### • Segment-wise Performance:

The Company is having only one segment i.e. Textile.

##### • Financial Performance:

The sale during the year under report is **635.24 Lacs**, the loss before interest, depreciation is decreased compared to previous year and gain profit. It is due to shortage of working capital, adverse impact of un-certain government policies, export policies and international market un-certainty. So also, sudden steady upward / downward revision in cotton prices, disturbed the overall situation of textile industry. However, due to corrective measures taken by the management, the company succeeded to minimize its losses.

##### • Human Resources:

The Company continues to lay emphasis on developing and facilitating optimum human performance.

##### • Health & Safety:

Your Company provides and maintains, so far as practicable equipment, systems and working conditions which are safe and without risk to the health of all employees, visitors, contractors and public. Management has maintained its strong commitment to a safe environment in its operations throughout the year. The Company is well aware of the relationship between the textile production and related environment issues.



## NIWAS SPINNING MILLS LIMITED

### • **Cautionary Statement:**

This annual report and accounts contains certain statements with respect to the financial condition, results, operations and businesses. These statements involve risk and uncertainty because they relate to events and depend upon circumstances that may occur in the future.

### **5. NUMBER OF MEETINGS OF THE BOARD:**

During the year, Five Board Meetings were convened and held on 30/04/2016, 30/05/2016, 30/07/2016, 29/10/2016 and 30/01/2017. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and all the Directors had attended all the Meetings.

### **6. MATERIAL CHANGES & COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

In terms of the information required under Sub-section (3)(i) of Section 134 of the act it is to be noted that no material Changes and commitments affecting the financial position of the company have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

### **7. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS & COMPANY'S OPERATIONS IN FUTURE:**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

### **8. DETAILS ABOUT DIRECTORS AND KMPs WHO WERE APPOINTED/RESIGNED DURING THE FINANCIAL YEAR:**

#### **Re-appointment of Managing Director:**

During the year under review, Shri. V.R. Jaju was re-appointed as the Managing Director of the Company by the Board of Directors at its Board Meeting held on 30.04.2017 for the further period of 3 years w.e.f 01.01.2017.

Pursuant to Section 196 of the Companies Act, 2013, the appointment made by the Board requires to be approved by the Members of the Company. Therefore, your Directors recommends approval of his re-appointment as Managing Director of the Company.

#### **Directors retiring by rotation:**

Pursuant to section 152 of the Companies Act, 2013 Shri. Aditya Jaju(DIN: 02625781), Director, retires by rotation and being eligible offers himself for re-

appointment. Your Directors recommends his re-appointment as Director of the Company.

#### **Appointment and Resignation of Directors:**

During the year under review there was no appointment or resignation of any director. However, Shri. R.J. Jaju (DIN: 00081619) was resigned as the Director of the Company w.e.f 01.09.2017.

Further, Shri Mitesh Ramkisan Daga was appointed as an Additional Director of the Company w.e.f .01<sup>st</sup> September, 2017. As per the provisions of Section 161 of the Companies Act, 2013, he continues to hold office as a Director up to the date of the ensuing i.e. 33<sup>rd</sup> Annual General Meeting of the Company. Further, pursuant to section 160 of the Companies Act, 2013 the Company had also received a notice along with the requisite Deposit from the Shareholder proposing his candidature for the office of Director. Your Directors recommends his appointment as Director of the Company.

### **9. INTERNAL CONTROLS SYSTEM AND THE ADEQUACY:**

In order to attain the corporate objectives, strict internal controls systems were implemented across the organisation. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations on regular basis. The audit function maintains its independence and objectivity while carrying out assignments. It evaluates on a continuous basis, the adequacy and effectiveness of internal control mechanism. The function also proactively recommends improvement in policies and processes, suggests streamlining of controls against various risks. Your Company has laid down set of standards, processes and structure, which enables it to implement internal financial control across the Company and ensure that the same are adequate and operating effectively.

### **10. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS**

The Company is a Sick Company and it is registered with Board for Industrial and Financial Reconstruction (BIFR). Without BIFR directions, the constitution of Board cannot be changed. Hence the Company has not appointed any Independent Director during the year under review.

### **11. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration including criteria for determining qualifications,

positive attributes; independence of a Director and other matters provided under sub-section (3) of section 178 relating to the remuneration for the Directors, key managerial personnel, and other employees. As required by rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the prescribed details are annexed as **Annexure 1** to this report.

**12. INFORMATION IN TERMS OF RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

During the year under review no employee was employed who was in receipt of aggregate remuneration exceeding Rupees One Crore and two Lakh for the year or exceeding Rupees Eight Lakhs and Fifty Thousand per month for any part of the year.

Other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report and is annexed as **"Annexure 2"** to this Report.

**13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

During the year, the Company has not given any loans or guarantees or has made any investments u/s 186 of the Companies Act, 2013.

**14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

All the Transactions entered with Related Parties for the year under review are strictly done on arm's length basis and in the ordinary course of business. The Company presents full details of transactions of all related party before the Audit Committee, Specifying the nature, value and terms & conditions of the transactions. Transactions with related parties are conducted in a transparent manner with the interest of the Company and stakeholders as utmost priority.

The details of transaction with Related party in Form AOC-2 is annexed herewith as **"Annexure 3"**

**15. SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANY**

The Company does not have any subsidiary/joint venture/associate company.

**16. RISK MANAGEMENT POLICY:**

The Board of Directors of the Company has not designed any Risk Management Policy. However, the Company has in place mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically

addressed through mitigating actions on a continuing basis.

**17. COMPANY'S POLICY FOR PREVENTION OF SEXUAL HARASSMENT:**

The Company is committed to provide a safe and conducive work environment to all women employees. During the year under review Company had not received any Complaints in respect of Sexual Harassment.

**18. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:**

The Company has not developed and implemented any Corporate Social Responsibility Policy pursuant to the Provisions of Section 135 of the Companies Act 2013 and relevant Rules framed there under as the said provisions were not applicable to the Company as Company had incurred losses during the relevant period.

**19. ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE:**

Pursuant to the provisions of the Companies Act, 2013 the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration committee by filling a structured questionnaire.

20. Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. SG and Associates (FCS - 12122, COP-5722) Practicing Company Secretary, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed as **"Annexure 4"** to this Report.

**21. EXPLANATION ON REMARKS OR DISCLAIMER MADE BY SECRETERIAL AUDITOR IN HIS REPORT:**

Looking at the Company's BIFR Status and continuous losses for past few years, no one was interested in getting appointed as Internal Auditor, CFO, Company Secretary. Few e forms which were not filed with the Registrar of Companies due to inadvertence, the same are being filed. Further, due to financial crunch & as all shares are held in physical mode.

**22. PUBLIC DEPOSITS:**

The Company has not raised any deposits from the public.

**23. AUDITORS:**

M/s. B. M. GATTANI & CO., Chartered Accountants, Solapur, FRN (113536W), Statutory Auditors of the Company, were appointed at the 32<sup>nd</sup> Annual General Meeting to hold office upto 33<sup>rd</sup> Annual General Meeting. As they will be completing their full term of appointment, in terms of the provisions of the Com-