

38th

ANNUAL REPORT

2021 - 2022



NIWAS
SPINNING MILLS LTD.

NIWAS SPINNING MILLS LIMITED
CIN – L17110PN1984PLC032702

THIRTY EIGHTH ANNUAL REPORT AND ACCOUNTS – 2021-2022

BOARD OF DIRECTORS

Shri. V. R. Jaju	Managing Director
Shri. A. V. Jaju	Director
Shri M. R. Daga	Director

REGISTERED & ADMINISTRATIVE OFFICE

406/A, West Mangalwar Peth, Solapur – 413 002.

Website : www.niwasmill.com

E-mail : niwas_mill@rediffmail.com

Contact No. : 0217-2328650

FACTORIES

B-2/2, M.I.D.C.
Solapur – 413 006.

AUDITORS

A B N J & Co.

302 Nav Vivek Indl. Estate

Mogal Lane, Behind Johnson & Johnson

Mahim (W), Mumbai – 400 016.

BANKERS

Neelkanth Co-op Bank Ltd.

Vikas Sahakari Bank Ltd.

Canara Bank

REGISTRAR & TRANSFER AGENT

Purva Sharegistry (India) Pvt Ltd

Unit no. 9, Shiv Shakti Industrial Estate,

J.R. Boricha marg, Opp. Kasturba Hospital Lane,

Lower Parel (E).

Mumbai – 400 011

Website : www.purvashare.com

E-mail : niwas_mill@rediffmail.com

NOTICE

NOTICE is hereby given that the THIRTY EIGHTH ANNUAL GENERAL MEETING of the shareholders of NIWAS SPINNING MILLS LIMITED will be held on Friday 30th September, 2022 through Video Conferencing (VC) / Other Audio Visual Means (OAVM) at 03.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements of the Company for the year ended 31st March 2022 including Audited Balance Sheet as at 31st March, 2022, Statement of Profit and Loss, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date together with the Reports of the Auditors' and Directors' thereon.
2. To appoint Director in place of Mr. Mitesh R. Daga (DIN: 00082175) who retires by rotation and being eligible, offers himself for re-appointment

SPECIAL BUSINESS:

- 3. To approve Reduction of Share Capital of the Company:**

To consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 66 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with the provisions of the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 and other applicable rules issued under the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”) read with the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended read with SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 (“SEBI Circulars”) and other applicable regulations, circulars and guidelines issued by the Securities and Exchange Board of India (“SEBI”), BSE Limited (“BSE”) and other authorities as may be and to the extent applicable and subject to confirmation by Hon'ble National Company Law Tribunal, Mumbai Bench (“NCLT”) and further subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or directed by Hon'ble NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, the consent of members of the Company be and is hereby accorded to the reduction of issued, subscribed and paid-up equity share capital of the Company from the existing Rs. 14,08,93,930/- (Rupees Fourteen Crores Eight Lakhs Ninety Three Thousand Nine Hundred Thirty Only) divided into 1,40,89,393 (One Crore Forty Lakhs Eighty Nine Thousand Three Hundred Ninety Three) equity shares with a face value of Rs. 10/- (Rupees Ten Only) per equity share to Rs. 2,81,78,786/- (Rupees Two Crores Eighty One Lakhs Seventy Eight Thousand Seven Hundred Eighty Six Only) divided into 1,40,89,393 (One Crore Forty Lakhs Eighty Nine

Thousand Three Hundred Ninety Three) equity shares with face value of Rs. 2/- (Rupees Two_Only) per equity share by reducing the face value of each equity share of the Company from the existing Rs. 10/- (Rupees Ten Only) per equity share to Rs. 2/- (Rupees Two Only) per equity share on terms and conditions as contained in the draft scheme of reduction of share capital, which be and is hereby approved (“Scheme of Reduction of Share Capital”/ “Scheme”).

“RESOLVED FURTHER THAT pursuant to reduction of share capital as above, the face value of equity shares of the Company shall stand reduced to Rs. 2/- (Rupees Two Only) per equity share and consequently, the authorized share capital of the Company shall stand reorganized from Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) divided into 2,50,00,000 (Two Crores Fifty Lakhs Only) equity shares with face value of Rs. 10/- (Rupees Ten Only) per equity share to Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) divided into 12,50,00,000 (Twelve Crores Fifty Lakhs Only) equity shares with face value of Rs. 2/- (Rupees Two Only) per equity share and on confirmation of the Scheme by Hon’ble NCLT, Clause V.1 in the Memorandum of Association of the Company shall stand altered, modified and amended as follows:

V. 1. The Authorized SHARE CAPITAL of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) divided into 12,50,00,000 (Twelve Crores Fifty Lakhs Only) shares of Rs. 2/- (Rupees Two Only) each of Equity Class.

RESOLVED FURTHER THAT in accordance with the Scheme and subject to approval of Hon’ble NCLT, Company shall not be required to add the words "And Reduced" as a suffix to its name

RESOLVED FURTHER THAT Upon the Scheme becoming effective, the existing share certificates in relation to the existing equity shares of the nominal value of Rs. 10/- (Rupees Ten Only) each held in the physical form shall be deemed to have been automatically cancelled and cease to be negotiable and be of no commercial or legal value, on and from the Record Date and the Company may, without requiring the surrender of the existing share certificate/s, directly issue and dispatch the new share certificate(s) with the nominal value of Rs. 2/- (Rupees Two Only) of the Company, in lieu thereof, and in the case of members who hold the equity shares in dematerialized form, the Company shall take necessary steps to reflect alterations in records of the Depositories and beneficial positions of the shareholders.

RESOLVED FURTHER THAT the Board of Directors of the Company (including duly constituted committee thereof or duly authorized officer(s) of the Company to whom power or authority are delegated or as may be delegated by the Board) be and is hereby authorized to do all such acts, deeds and things as may be necessary, required, warranted and expedient to give effect to this resolution and the Scheme including authority to agree to any modifications or conditions therein that may be suggested, imposed or stipulated by Hon’ble NCLT or any other statutory / government authority or effect such modifications as may be considered in the best interest of the Company and its Members and to give such directions or instructions as they, from time to time, may think fit or proper (including directions for settling any question, doubt or difficulty which may arise in this regard) and to do all such acts, deeds, matters and things as the Board, in its absolute discretion, may consider necessary, expedient, usual or proper for giving

effect to this resolution and the Scheme without requiring to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution”.

4. To approve sale, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company:

To consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT in supersession of earlier resolution passed on 22/10/2014 and pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof read with rule 22 of the Companies (Management and Administration) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, subject to such other approvals and permissions, if any, as may be required including of concerned authorities and subject to such conditions as may be prescribed by them and which may be agreed to by the Board of Directors or Committee of Directors of the Company, consent of the Members be and is hereby accorded to create charge or to sell, lease or otherwise dispose of, in whole or in part, the Fixed Assets of the Company (including Building along with Land, Factory Building, Administrative Office Building, Furniture & Fixture, Plant & Machinery, Equipment, Vehicles and Electric installation) and other movable / immovable assets of the Company to such person(s) for a such consideration and on such other terms and conditions as may be decided by the Board”.

“FURTHER RESOLVED THAT Shri Vijay R. Jaju (DIN: 00081475), Managing Director and Mr. Mitesh Daga (DIN: 00082175), Director of the Company, be and are hereby, jointly and/or severally authorised to do such acts and deeds or to take or cause to be taken such steps or actions that are deemed necessary for giving effect to the aforesaid Resolution.”

5. To approve the Re-appointment of Mr. Vijay R. Jaju (DIN: 00081475) as Managing Director of the Company for a further period of Three (3) years w.e.f. 01.02.2023:

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. Vijay. R. Jaju (DIN: 00081475), Age 62 years, as Managing Director of the Company for a further period of 3 (Three) years term commencing from 01-02-2023 till 31-01-2026 on following terms and conditions:.

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. 5000/- 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 Vijay 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. Vijay R. Jaju within the limits specified in Schedule V to the Companies Act, 2013 or any amendment(s) thereto."

"FURTHER RESOLVED THAT Shri. Vijay 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."

FOR NIWAS SPINNING MILLS LTD.

PLACE : SOLAPUR

DATED : 03/09/2022


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

1. In view of the outbreak of the COVID-19 Pandemic, Social Distancing is a norm to be followed and pursuant to the Circular No. 20/2020 dated May 5, 2020 read with Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 02/2021 dated January 13, 2021 and Circular No. 02/2022 dated May 5, 2022 issued by the Ministry of Corporate Affairs (MCA) and Circulars dated May 12, 2020, January 15, 2021 and May 13, 2022 issued by Securities and Exchange Board of India (SEBI), hereinafter collectively referred to as "Circulars", Companies are allowed to conduct the Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2022 and hence physical attendance of the Members at the AGM venue is not required. The 38th AGM of the Company shall be conducted through VC/OAVM in accordance with the aforesaid Circulars.
2. A member entitled to attend and vote at the Meeting is entitled to appoint proxy to attend and vote on poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC/OAVM pursuant to the Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the form and attendance slip including route map are not annexed to this notice. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Further, pursuant to Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

3. The members can join the AGM in the VC/OAVM mode 15 minutes before and up to 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation of the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, the Nomination and Remuneration Committee and the stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The Register of Members and the Share Transfer books of the Company will remain closed from September 23, 2022 to September 30, 2022 (both days inclusive).
5. 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) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021 and May 5, 2022 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
7. In compliance with the aforesaid Circulars, Notice of the AGM along with the Annual Report for the year 2021-22 is being sent through electronic mode to those Members whose e-mail addresses are registered with the Company or their Depository participants. Members who have not yet registered their e-mail addresses are requested to follow the process mentioned below, for registering their e-mail addresses to receive login ID and password for e-voting.
8. In line with the Ministry of Corporate Affairs (MCA) Circular No. 02/2022 dated May 5, 2022, Circular No. 02/2021 dated January 13, 2021, Circular No. 17/2020 dated April 13, 2020 and Circular No. 14/2020 dated April 8, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://www.niwasmill.com>. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM)

at www.evotingindia.com.

9. Members holding shares in physical mode and who have not registered their email addresses with the Company are requested to register their email addresses with the Company's Share Transfer Agent, M/s. Purva Shareregistry (India) Pvt. Ltd. at (www.purvashare.com). Members holding shares in Dematerialized mode are requested to register/ update their e-mail addresses with their Depository Participants.
10. As mandated by the Securities and Exchange Board of India (SEBI) effective April, 2019, requests for affecting transfer of shares (except in case of transmission or transposition of shares) shall not be processed unless the shares are held in a dematerialized form with a depository. Members are advised to dematerialize shares held by them in physical mode.
11. All documents referred to in Notice calling AGM and Explanatory Statement will be available electronically for inspection by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to niwas_mill@rediffmail.com.
12. Information required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with respect to the Director seeking re-appointment at the 38th Annual General Meeting in respect of **Item No. 2. of the Notice and Explanatory Statement of the Special Business pursuant to Section 102 of the Companies Act, 2013, in respect of Item No. 3 to 5 of the Notice are given in the Annexure A.**

THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins on 27th September 2022 (9.00 a.m.) and ends on 29th September 2022 (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 23/09/2022 of <Record Date> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.

However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at