



NIWAS
SPINNING MILLS LTD.

406/A, WEST MANGALWAR PETH,
CHATTI GALLI, SOLAPUR - 413 002. (INDIA)
TEL.: (0) 2328650, FAX : (0217) 2328712
E-mail : niwas_mill@rediffmail.com

CIN : L17110PN1984PLC032702

Date: 18/10/2016

To,
The Manager
Dept. of Corporate Services,
BSE Ltd,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 001.

Dear Sir/Madam,

Ref : Stock Code-521009-NIWAS SPINNING MILLS LIMITED
Sub: Submission of Annual Report under Regulation 34 for
the Financial Year ended 31st March, 2016.

As required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements), we are enclosing herewith the Annual Report for the Financial year ended 31st March, 2016. The Financial Statements were approved and adopted by the Members of the Company at the Annual General Meeting held on Friday, 30th September, 2016.

Please take the same on your records.

Thanking you,

Yours Faithfully,

For **NIWAS SPINNING MILLS LIMITED,**


VIJAY JAJU
MANAGING DIRECTOR
DIN: 00081475

Encl: As above

NIWAS SPINNING MILLS LIMITED
CIN – L17110PN1984PLC032702

THIRTY SECOND ANNUAL REPORT AND ACCOUNTS 2015-2016

BOARD OF DIRECTORS

Shri. R. J. Jaju	Chairman
Shri. V. R. Jaju	Managing Director
Shri. A. V. Jaju	Director

REGISTERED & ADMINISTRATIVE OFFICE

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

FACTORIES

Unit – I

B-2/2, & A-5, A-8
M.I.D.C.
Solapur – 413 006.

AUDITORS

B. M. Gattani & Co.
Chartered Accountants
B-303, 3rd Floor
B-702, Om Sai Sharvan CHS,
Opp Shimpoli Telephine 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 SECOND ANNUAL GENERAL MEETING of the shareholders of NIWAS SPINNING MILLS LIMITED will be held at B-2/2, M.I.D.C., Akkalkot Road, Solapur – 413 006 on Friday, the 30th September, 2016 at 10.00 a.m. to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 2016, the Statement of Profit & Loss of the Company for the year ended 31st March 2016 and 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 Auditors and authorize Board to 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 received by the Company not later than forty-eight hours before the commencement of the Meeting.
2. The Register of Members and Transfer Books of the Company will remain closed from 26-09-2016 to 30-09-2016 (both days inclusive).
3. Shareholders intending to acquire 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.
4. Members are requested to intimate any change in their address to the Company at the earliest, quoting their Folio Numbers.
5. Members are requested to bring the copy of Annual Report sent to them.

FOR NIWAS SPINNING MILLS LTD.

PLACE : SOLAPUR

DATED :30-07-2016

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

NIWAS SPINNING MILLS LIMITED
CIN – L17110PN1984PLC032702
REGISTERED OFFICE: 406/A, (W) MANGALWAR PETH, CHATI GALLI
SOLAPUR – 413 002.

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 32nd Annual Report on the business and operations of the Company and the accounts for the financial year ended March 31st, 2016.

1. FINANCIAL SUMMARY /PERFORMANCE OF THE COMPANY:

The sale during the year under report is **509.27 Lacs**, the profit before interest, depreciation is decreased compared to previous year. It is due to shortage of working capital, adverse impact of uncertain 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.

• **Financial Highlights :**

	(Amt. in Lacs)	
	Current Period 2015-16	Previous Period 2014-15
Sales	509.27	409.89
Other Income	13.72	14.17
Total Income	522.99	424.06
Profit / (Loss) before interest, depreciation, exceptional item & tax	(84.83)	(8.41)
Less :		
• Financial Cost	43.02	95.05
• Depreciation	68.45	74.08
Profit / (Loss) before exceptional items & taxes	(196.33)	(177.54)
Less : Exceptional items (Net)	Nil	Nil
Profit/(Loss) before tax (A)	(196.33)	(177.54)
Tax Provision	Nil	Nil
Profit / (Loss) after tax	(196.33)	(177.54)
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)	536.88	(177.54)

• **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 DISCRIPTION 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 **509.27 Lacs**, the profit before interest, depreciation is decreased compared to previous year. It is due to shortage of working capital, adverse impact of uncertain 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 relation-ship between the textile production and related environment issues.

- **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.

- **Reference to BIFR and it's registration:**

The Company is registered with BIFR. Hon'ble Board has declared the Company as a Sick Industrial Company in terms of section 3(1) (o) of SICA and appointed Bank of India as the Operating Agency. Preparation of Draft Rehabilitation Scheme (DRS) is under process. Company has filed an appeal before appellate authority against the order passed by Hon'ble BIFR. The appeal is still pending.

5. NUMBER OF MEETINGS OF THE BOARD:

During the year, Five Board Meetings were convened and held on 30/04/2015, 30/05/2015, 30/07/2015, 30/10/2015 and 30/01/2016. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

6. MATERIAL CHANGES & COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURED 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)(l) 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 AND 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:

During the year under review, none of the Directors and KMPs were appointed/resigned.

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.

The ratio of the remuneration of each director to the median remuneration of the employees of the Company and 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. SECRETARIAL AUDIT REPORT:

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. Suhas Ganpule, Proprietor of M/s SG & Associates, Company Secretaries, 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 SECRETARIAL 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 & Independent Director. 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, e voting facility was not provided. There was inadvertent delay in informing Stock Exchange about Voting results at the AGM.

22. PUBLIC DEPOSITS:

The Company has not raised any deposits from the public.

23. AUDITORS:

The retiring auditors M/s. B M Gattani & Co., Chartered Accountants, Mumbai, are eligible for re-appointment. You are requested to appoint the Auditors of the Company.

As directed by the Audit Branch, Ministry of Law, Justice & Company Affairs, New Delhi vide its order 52/26/CAB/2010 dated 24/01/2012 and in pursuance of clause (d), sub clause (i) of Section 29 of the Companies Act, 1956, M/s T. M. Rathi of Mumbai was appointed as the Cost Auditor to conduct the Cost Audit for the year 2015-16.

24. RESERVATION AND QUALIFICATION ON AUDITOR'S REPORT:

With regard to Auditors' observations/remarks, the Board states that the Company is a sick company. The necessary steps / actions are being taken to approve the Rehabilitation Scheme. As the settlements with lenders are already made, no interest is provided on Secured Loans. The Directors are taking appropriate steps for obtaining formal de-listing letters from Ahmedabad & Pune Stock Exchanges. The Company has already made an application to NSDL & CDSL for dematerialization of Company's listed securities. However CDSL rejected Company's request for Dematerialization and NSDL did not conveyed their consent or dissent for the same.

The other comments, if any of Auditors are dealt with by the notes on accounts which are self-explanatory. Wherever required, the explanation is given in the notes on accounts.

25. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS PURSUANT TO SECTION 143(12) OF THE COMPANIES ACT, 2013:

During the year under review there were no incidences of fraud reported by the Auditors.

26. COMMITTEES:**I. Audit Committee:**

The Audit Committee of Company consists of two non-executive Directors apart from Managing Director. It consists of all Directors. During the year under review Four (4) meetings were held of the audit committee) and attended by all.

II. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of the Company consists of two non-executive Directors apart from Managing Director. It consists of all Directors. During the year under review four meetings were held of the committee held during the year 2015-2016 (the year of implementation of Corporate Governance) and attended by all.

27. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has adopted the code of conduct for employee and directors for the highest degree of transparency, integrity, accountability and corporate social responsibility. Any actual or potential violation of the Code would be a matter of serious concern for the Company. The Company also has Whistle Blower Policy to deal with instance of fraud and mismanagement, if any.

Employees of the Company are encouraged to use guidance provided in the Policy for reporting all allegations of suspected improper activities.

28. SHARE CAPITAL:

The paid up equity capital as on March 31, 2016 was Rs. 1408.93 Lakhs. During the year under review, the Company has not raised money by any issues. The company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

29. EXTRACT OF THE ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as **Annexure 5**.

30. CONSERVATION OF ENERGY:

(A) Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, is as follows:

I) CONSERVATION OF ENERGY FORM-A		Current Year	Previous Year
a) POWER & FUEL CONSUMPTION			
ELECTRICITY			
1	TY		
(a)	Purchased : Unit	5,16,546	3,61,910
	Total Amount	67,10,399	54,19,415
	Rate / Unit	Rs. 12.99	Rs. 14.97
(b)	OWN GENERATION		
(i)	Through Diesel Generator	Nil	Nil
	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)	Nil	Nil
	Quantity		
	Total Cost		
	Average Rate		
3	FURNACE OIL	Nil	Nil
	Quantity		
	Total Cost		
	Average Rate		
4	OTHER GENERATORS	Nil	Nil
	Quantity		
	Total Cost		
	Average Rate		
b)	CONSUMPTION PER UNIT OF PRODUCTION STANDARDS (IF ANY)		
	Products (Yarn & Towel)	0.19 Kg	0.44 Kg
	Electricity	5,16,546 Units	3,61,910 Units
	Furnace Oil	---	---
	Coal	---	---
	Others	---	---
II)	OTHER INFORMATION ABOUT TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO ETC.		
a)	Technology Absorption : Technology absorption and R & D efforts are not applicable to the Company.		
b)	Foreign Exchange Earnings and Outgo		
1	Foreign Exchange Used		
	Value of Direct Import on CIF Basis		
	Capital - goods, Store & Spare parts	Rs. Nil	
	Travelling Expenses	Rs. Nil	
2	Earning in Foreign Exchange		
	i) Direct Export	Rs. Nil	
	ii) Indirect Export	Rs. Nil	

31. DIRECTORS:

Mr. Aditya V. Jaju, DIN 02625781, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment.

32. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 loss of the company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors have prepared the annual accounts on a going concern basis; and
- e) The directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

33. CORPORATE GOVERNANCE:

The Report on Corporate Governance and Management's Discussion & Analysis Report, in terms of Regulation 34(3) and 53(f) of the SEBI (Listing Obligations and Disclosure requirement), Regulations, 2015 are annexed and form part of the Annual Report.

34. INSURANCE:

The Company has taken adequate insurance cover for the assets.

35. ACKNOWLEDGEMENT:

The Directors wish to place on record their sincere appreciation to the Company's employees at all levels for their dedication & hard-work and also to the Bankers/ Institutions who have actively lent their support to the Company. The Director also express their gratitude to the Shareholders for their continued co-operation and support.

PLACE : SOLAPUR

DATED : 30-07-2016

For & on behalf of the Board,

**(R. J. Jaju)
Chairman**

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

APPOINTMENT OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

The Nomination and Remuneration Committee identifies persons who are qualified to become Directors and who may be appointed as Key Managerial Personnel and Senior Management. The Committee ascertains the qualifications, expertise and experience of the persons to be appointed as Directors, Key Managerial Personnel and Senior Management and recommends their appointment to the Board of Directors.

The Board then takes the final decision based on the said recommendation.

The Committee evaluates the performance of Directors and Senior Management on a yearly basis and recommends their removal, if required.

REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT AND OTHER EMPLOYEES

The remuneration payable to the Managing Director shall be as per the provisions of the Companies Act, 2013 and other relevant provisions.

The remuneration payable to Senior Management shall be approved by the Committee on case to case basis.

The increments to the existing remuneration structure:

1. In relation to Board of Directors shall be based on the evaluation of performance.
2. In relation to Key Managerial Personnel and Senior Management the same shall be approved by the Committee based on the recommendation of the Managing Director.
3. In relation to others the same shall be approved by the Managing Director based on the market conditions, performance of the company and other relevant factors from time to time.

REMUNERATION TO NON-EXECUTIVE AND INDEPENDENT DIRECTORS

The Non-Executive and Independent Directors of the Company shall only be paid sitting fees (as determined by the Board from time to time) for attending Board/ Committee meetings apart from reimbursement of expenses incurred for attending the meetings.

INFORMATION IN TERMS OF UNDER RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL RULES, 2014)

The information relating to managerial remuneration in terms of Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are detailed as under: –

- i. the ratio of the remuneration of each director of the Company to the median remuneration of the employees of the Company for the financial year 2015-16;

Ratio of the remuneration of the director of the company to the median remuneration of the employees of the company are,

Name of the Director	Category	Remuneration Received during the year	Median remuneration of the employees	Ratio of Median Remuneration to Director's Remuneration
Vijay Jaju	Managing Director	300000	---	---

- ii. Percentage increase in remuneration of each whole time director, Chief Financial Officer and the Company Secretary of the Company, during the financial year 2015-16.
- There is no increase in remuneration of each whole time director, CFO.
- iii. Percentage increase in the median remuneration of employees of the Company during the financial year;
- There is no increase in the median remuneration of employees of the Company.
- iv. Number of permanent employees on the rolls of the Company; - Approx. 40
- v. average percentile increase already made in the salaries of employees of the company other than its managerial personnel (viz. whole time directors of the Company) during the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;
- Not Applicable
- vi. Key parameters for any variable component of remuneration availed by the directors; - Not Applicable
- vii. Affirmation the remuneration is as per the remuneration policy of the Company: Yes.
-

Form No. AOC-2**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis.

Name(s) of the related party and nature of relationship	N.A.	N.A.	N.A.	N.A.
Nature of contracts/arrangements/transactions	N.A.	N.A.	N.A.	N.A.
Duration of the contracts / arrangements / transactions	N.A.	N.A.	N.A.	N.A.
Salient terms of the contracts or arrangements or transactions including the value, if any	N.A.	N.A.	N.A.	N.A.
Justification for entering into such contracts or arrangements or transactions	N.A.	N.A.	N.A.	N.A.
Date(s) of approval by the Board	N.A.	N.A.	N.A.	N.A.
Amount paid as advances, if any	N.A.	N.A.	N.A.	N.A.
Date on which the special resolution was passed in general meeting as required under first proviso to section 188	N.A.	N.A.	N.A.	N.A.

2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship	A. V. Jaju Director	Spinomat Textiles Pvt Ltd Promoter holding shares of aforesaid Co.	Neeta Textiles Promoter holding shares of aforesaid Co.
Nature of contracts/arrangements/transactions	Reimbursement of Bank Interest	Purchase	Reimbursement of Bank Interest
Duration of the contracts / arrangements / transactions	01/04/2015 to 31/03/2016	01/04/2015 to 31/03/2016	01/04/2015 to 31/03/2016
Salient terms of the contracts or arrangements or transactions including the value, if any	5.03	70.89	18.00
Date(s) of approval by the Board, if any	--	--	--
Amount paid as advances, if any	Nil	53.92	Nil

SECRETARIAL AUDIT REPORT

Form No. MR-3

Secretarial Audit Report

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies
(Appointment*

and Remuneration Personnel) Rules, 2014]

Secretarial Audit Report

For the Financial Year ended 31st March, 2016

**To,
The Members,
Niwas Spinning Mills Limited,**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Niwas Spinning Mills Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - IV. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
-

- d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

V. Other laws applicable to the Company as per the representations made by the Company. We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to Board and General Meetings of The Institute of Company Secretaries of India.
- (ii) The Factories Act, 1948.
- (iii) The Payment of Wages Act, 1936.
- (iv) The Minimum Wages Act, 1948
- (v) The Employees' State Insurance Act, 1948
- (vi) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

We have also examined compliance with the applicable clauses of the following:

- a) The Listing Agreement and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 entered into by the Company with BSE;
- b) Since the Company is registered with the **Board for Industrial and Financial Reconstruction (BIFR)**, the Sick Industrial Companies (Special Provisions) Act, commonly known as the SICA.

During the period under review, the Company has complied with the provisions of the above mentioned Acts, Regulations, Guidelines, etc. Subject to the following observations:

1. The Company has not complied with the provisions of Section 108 of the Companies Act, 2013 in respect of the voting through electronic means & to extent of Secretarial Standard-2.
 2. The Company has not complied with the provisions of Section 138 of the Companies Act, 2013 in respect of the appointment of Internal Auditor.
 3. The Board of Directors of the Company is not constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
 4. The Company has not complied with the provisions of Section 149 of the Companies Act, 2013 pursuant to the appointment of Independent Directors.
 5. Audit Committee and Remuneration Committee had been constituted by the Company but these committees are not constituted pursuant to the provisions of Section 177 and 178 of the Companies Act, 2013.
 6. The Company has not complied with the provisions of Section 203 of the Companies Act, 2013 in respect of the appointment of Chief Financial Officer And Company secretary.
 7. The Company has not filled Form MGT-7 for the Financial Year 2014-2015
 8. The Company has not filed Form ADT-1 during the year under review.
 9. The Company has not complied with the Listing Agreement and SEBI (LODR) Regulations, 2015 for the year 2015-2016 with respect to Corporate Governance.
 10. The Company has not filed MGT 15
-

11. The Company has not complied with the requirement of Section 149(1) of the Companies Act, 2013 in respect the mandatory requirement of appointment of at least one woman director within one year from one year from the commencement of the Second proviso to Section 149(1) of the Act.

We further report that

- The Board of Directors of the Company is constituted as follows:

Mr. Vijay Ramniwas Jaju: Managing Director

Mr. Ramniwas Jamnalal Jaju: Director

Mr. Aditya VijayKumar Jaju: Director

There were no changes in the composition of the Board of Directors during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions were carried out unanimously by the members of the Board and Committees and the same were duly recorded in the minutes of the meeting of the Board of Directors and Committees of the Company.

- The BIFR Order has been examined during the Audit process.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For SG and Associates,
Practicing Company Secretaries
Suhas Ganpule, Proprietor,
Membership No: 12122
C. P No: 5722**

Date: 30.07.2016

Place: Mumbai

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L17110PN1984PLC032702
ii)	Registration Date	19/04/1984
iii)	Name of the Company	NIWAS SPINNING MILLS LTD.
iv)	Category of the Company 1. Public Company 2. Private Company	1. Public Company

SUB CATEGORY OF THE COMPANY : - [PLEASE TICK WHICHEVER ARE APPLICABLE]

1. Government Company	
2. Small Company	
3. One Person Company	
4. Subsidiary of Foreign Company	
5. NBFC	
6. Guarantee Company	
7. Limited by shares	✓
8. Unlimited Company	
9. Company having share capital	✓
10. Company not having share capital	
11. Company registered under section 8	

v) Address of the Registered Office and contact details

Address	406/A, West Mangalwar Peth Chati Galli Solapur
Town / City	Solapur
State	Maharashtra
Telephone (with STD Area Code Number)	0217-2328650
Pin Code	413002
Fax Number	0217-2328712
E mail address	niwas_mill@rediffmail.com
Web Site	There is no website. Preparation of website is under process.

vi)	Whether Shares Listed On Recognized Stock Exchange(S)	Yes
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capital in excess of Rs 1 lakh		975697	975697	6.93		975697	975697	6.93	
c) Others (specify)		6000	6000	0.04		6000	6000	0.04	
i) Non Resident Indians (Repat)									
ii) Non Resident Indians (Non Repat)									
iii) Clearing Member									
Sub-total (B)(2):-		5994116	5994116	42.55		5994116	5994116	42.55	
Total Public Shareholding (B)=(B)(1)+(B)(2)		6730216	6730216	47.77		6730216	6730216	47.77	
C. Shares held by Custodian for GDRs & ADRs	NIL				NIL				-
Grand Total (A+B+C)	14089393				14089393				-

ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Ramniwas J. Jaju	30000	0.21	NIL	30000	0.21	NIL	0
2	Hariniwas J. Jaju	30000	0.21	NIL	30000	0.21	NIL	0
3	Vijay R. Jaju	32425	0.23	NIL	32425	0.23	NIL	0
4	Aditya V. Jaju	330	0.00	NIL	330	0.00	NIL	0
5	Archana H. Jaju	3750	0.03	NIL	3750	0.03	NIL	0
6	Anand H. Jaju	7500	0.05	NIL	7500	0.05	NIL	0
7	Bidamdevi J Jaju	30000	0.21	NIL	30000	0.21	NIL	0
8	Jagdish J. Jaju	13100	0.09	NIL	13100	0.09	NIL	0
9	Neeta V. Jaju	5275145	37.44	NIL	5275145	37.44	NIL	0
10	Priti J. Jaju	10000	0.07	NIL	10000	0.07	NIL	0
11	Ramkunwar H. Jaju	33800	0.24	NIL	33800	0.24	NIL	0

12	Rashmi J. Jaju	10000	0.07	NIL	10000	0.07	NIL	0
13	Smita J. Jaju	10650	0.08	NIL	10650	0.08	NIL	0
14	Taradevi J. Jaju	45950	0.33	NIL	45950	0.33	NIL	0
15	Trupti J. Jaju	5000	0.04	NIL	5000	0.04	NIL	0
16	Vasantidevi R. Jaju	43500	0.31	NIL	43500	0.31	NIL	0
17	Amarchand N Mandhane	1650	0.01	NIL	1650	0.01	NIL	0
18	Dhapibai B. Daga	300	0.00	NIL	300	0.00	NIL	0
19	Kasidevi H. Soni	7500	0.05	NIL	7500	0.05	NIL	0
20	Vrunda P. Bang	3750	0.03	NIL	3750	0.03	NIL	0
21	Prakash R. Bang	10050	0.07	NIL	10050	0.07	NIL	0
22	Shivkanta R. Dhoot	3750	0.03	NIL	3750	0.03	NIL	0
23	Inderbetnal S Thakral	1452500	10.31	NIL	1452500	10.31	NIL	0
24	Umesh R Lahoti	41000	0.29	NIL	41000	0.29	NIL	0
25	Omprakash B Birla	15575	0.11	NIL	15575	0.11	NIL	0
26	Vishnu G Vinnu	10300	0.07	NIL	10300	0.07	NIL	0
27	Govind R Vinnu	8675	0.06	NIL	8675	0.06	NIL	0
28	Rameshwar L Kabra	11672	0.08	NIL	11672	0.08	NIL	0
29	Pushpa Kabra	168675	1.20	NIL	168675	1.20	NIL	0
30	Sonali Hingorani	3200	0.02	NIL	3200	0.02	NIL	0
31	Rajesh Jaju	3200	0.02	NIL	3200	0.02	NIL	0
32	Narsing R Tumma	3090	0.02	NIL	3090	0.02	NIL	0
33	Saroj R Hazari	3475	0.02	NIL	3475	0.02	NIL	0
34	Manikchand S Daga	2350	0.02	NIL	2350	0.02	NIL	0
35	Roma N Hingorani	6190	0.04	NIL	6190	0.04	NIL	0
36	Jayanti C Shirsode	2300	0.02	NIL	2300	0.02	NIL	0
37	Shamsundar G Vinnu	2275	0.02	NIL	2275	0.02	NIL	0
38	Meera Hingorani	4500	0.03	NIL	4500	0.03	NIL	0
39	Archana Hingorani	4500	0.03	NIL	4500	0.03	NIL	0
40	Asha O Birla	3800	0.03	NIL	3800	0.03	NIL	0
41	Raj R Desai	3750	0.03	NIL	3750	0.03	NIL	0
TOTAL		7359177	52.23	NIL	7359177	52.23	NIL	0

- The term “encumbrance” has the same meaning as assigned to it in regulation 28(3) of the SAST Regulations, 2011

iii) Change in Promoters' Shareholding: N.A.

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	7359177	52.23	7359177	52.23
2	acquisition through Transfer	NIL	NIL	NIL	NIL
3	At the End of the year	7359177	52.23	7359177	52.23

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10	Shareholding at the beginning		Change in the Shareholding (No. of Shares)			Shareholding at the end of the year.	
	Shareholders	of the year.		Date	Increase / Decrease(No. of shares)	Reason	No. of shares	% of total
		No. of shares	shares of the					shares of the
			company					company
1	3 A Capital Services Ltd	596500	4.23	- -	--	--	596500	4.23
2	Ashik K Ajmera	250450	1.78	- -	--	--	250450	1.78
3	Punjab & Sind Bank	198800	1.41	- -	--	--	198800	1.41
4	State Bank of Indore	124200	0.88	- -	--	--	124200	0.88
5	Stock Holding Corp of (I) Ltd	122150	0.87	- -	--	--	122150	0.87
6	Indra Kumar Bagri	74915	0.53	- -	--	--	74915	0.53
7	Export Import Bank of India	74500	0.53	- -	--	--	74500	0.53
8	UTI Securities Exchange Ltd	62200	0.44	- -	--	--	62200	0.44
9	The Catholic Syrian Bank Ltd	59900	0.43	- -	--	--	59900	0.43
10	Mahendra Girdharlal	71550	0.51	- -	--	--	71550	0.51

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name	Designation	Shareholding at the beginning of the year		Date	Increase/Decrease in Share holding	Reason	Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	R. J. Jaju	Chairman	30000	0.21	--	--	--	30000	0.21
2	V. R. Jaju	Managing Director	32425	0.23	--	--	--	32425	0.23
3	A. V. Jaju	Director	330	0.00	--	--	--	330	0.00

vi) Indebtness:

Indebtedness of the Company including interest outstanding/accrued but not due for payment :

due for payment :

	Secured Loans	Unsecured	Deposits	Total
	excluding	Loans		Indebtedness
	deposits			
Indebtedness at the beginning of the financial year	6,57,49,829	--	--	--
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	6,57,49,829	--	--	--
Change in Indebtedness during the financial year	1,12,265	--	--	--
· Addition	2,08,23,444	--	--	--
· Reduction				
Net Change	2,07,11,180	--	--	--
Indebtedness at the end of the financial year	4,50,38,649	--	--	--
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	4,50,38,649	--	--	--

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Mr. Vijay Jaju- Managing Director	Total Amount
1.	Gross Salary (a)Salary as per provisions contained in section17(1) of the Income-tax Act, 1961 (b)Value of perquisites u/s 17(2)Income-tax Act,1961 (c)Profits in lieu of salary undersection17(3)Income- taxAct,1961	Rs.3,00,000/- Rs.69,442/- NIL	Rs.3,00,000/- - Rs.69,442/- NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission - as% of profit - others, specify...	NIL	NIL
5.	Others ,please specify	NIL	NIL
6.	Total(A)	Rs.3,69,442/-	Rs.3,69,442/-
	Ceiling as per the Act	Rs.9,00,000/-	Rs.9,00,000/-

No remuneration was paid to Directors and KMP other than Managing Director.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act): NIL

Corporate Governance Report

Pursuant to Regulations 34(3) and 53(f) of the SEBI (Listing Obligations and Disclosure requirements) Regulations 2015 a Report on Corporate Governance is given below:

1. Company's Philosophy on Corporate Governance:

The Company is committed to maintain highest level of Corporate Governance with transparency and corporate accountability in its actions and operations and to become a good corporate citizen.

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organization. It brings into focus the fiduciary and trusteeship role of the Board to align and direct the activities of the organization keeping in mind the interests of shareholders and the society.

Board of Directors:

- As on 31.03.2016, the Board consisted of One Executive Director, Two Non-Executive Directors. Thus, the Board comprises of Executive and Non Executive Directors.

- b. There is no Independent Director and Woman Director in the Board of Director of the Company. The Company is registered with BIFR. As per direction of BIFR, Company cannot change / make modification in existing Board of Directors.

Name	Designation (Executive, Non-Executive, Independent/ Promoter)	No. of outside Directorship and Committee Membership in domestic public companies. #			
		Other Directorships		Committee memberships	
		As a Member	As a Chairman	As a Member	As a Chairman
Shri R. J. Jaju	Director Non-Executive Chairman	Nil	Nil	Nil	Nil
Shri V. R. Jaju	Managing Director Executive	Nil	Nil	Nil	Nil
Shri A. V. Jaju	Director Non-Executive	Nil	Nil	Nil	Nil

Excludes Directorship and Committee Membership of Private Limited Companies.

NOTES :

- a. Attendance of Directors at Board Meetings and last Annual General Meeting.

The Board of the Company met five times during the year on the following dates viz. 30.04.2015, 30.05.2015, 30.07.2015, 30.10.2015 & 30.01.2016 and all Directors were present at all the Meetings

The attendance at the Board Meetings and the Last Annual General Meeting (30/09/2015) were as under:

Name of the Director	Business relationship with the Company	Attendance	
		Board Meeting	AGM
Shri R. J. Jaju	Promoter	5	Yes
Shri V. R. Jaju	Promoter	5	Yes
Shri A. V. Jaju	Promoter	5	Yes

- b. **Code of Conduct**

The Board has formulated a Code of Conduct for the Board Members and Senior Management of the Company. The Company is in the process to create a website. All the Members of the Board have affirmed the Compliance with the Code on annual basis.

Inter-se Relations between the Board of Directors:

All the Directors are relatives of each other.

COMMITTEES OF THE BOARD

I. Audit Committee:

- a. The Audit Committee is consisting of following Directors:

Name	Designation	Non-executive / Independent
Shri. R. J. Jaju	Member	Non-Executive
Shri. V. R. Jaju	Member	Executive
Shri A. V. Jaju	Member	Non-Executive

During the year under review, 4 meetings were held on 08/04/2015, 06/07/2015, 05/10/2015 and 04/01/2016 at which all the members of the Committee were present.

Terms of reference of the Audit Committee:

The Role of Audit Committee shall include the following:

1. Oversight of the company's Financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
 2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
 3. Approval of payment to statutory auditor for any other services rendered by the statutory auditors.
 4. Reviewing, with the management, the annual financial statements before submission to the board for approval. With particular reference to :
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in term of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statement arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party audit report.
 - g) Qualification in the draft audit report.
 5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
 6. Reviewing with the management, performance of statutory auditors and internal auditors, monitoring Auditors' independence, adequacy of the internal control systems.
 7. To evaluate internal financial controls.
 8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 9. Discussion with internal auditors any significant findings and follow up thereon.
 10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 12. To look into the reasons for substantial defaults in repayment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
-

13. To review vigil mechanism as defined under Whistle Blower Policy.
14. To obtain professional advice from external sources as and when required and to have full access to information contained in the records of the Company.
15. To review and formulate the scope and functioning of Internal Audit in consultation with the Internal Auditors.
16. To approve the appointment of CFO (i.e. the whole time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate.
17. To approve or any other subsequent modification of transactions of the Company with related parties.
18. To scrutinize inter corporate loans and investments.
19. To consider valuations of assets or undertaking of the Company, wherever it is necessary.
20. To monitor the end use of funds raised through public offers and related matters.
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee. Any other functions as may be stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

Review of Information by Audit Committee

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and result of operations;
2. Management letters/letters of internal control weakness issued by the statutory auditors;
3. Internal audit reports relating to internal control weakness; and
4. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

II. Nomination and Remuneration Committee:

- a. The Nomination and Remuneration Committee is consisting of following Directors:

Name	Designation	Non-executive / Independent
Shri. R. J. Jaju	Member	Non-Executive
Shri. V. R. Jaju	Member	Executive
Shri A. V. Jaju	Member	Non-Executive

- b. Remuneration of Directors:

Details of remuneration paid to Directors for the year ended 31st March, 2016 are as follows:

Name of the Directors	Salary & perquisites	Sitting Fees	Commission	Total	No. of Shares held
Vijay Jaju	369442	NIL	NIL	369442	32425

- c. During the Year under review, the Nomination and Remuneration Committee met 4 (Four) times on 26/06/2015, 25/09/2015, 24/12/2015 and 23/03/2016 at which all the members of the Committee were present. The Committee had laid down the criteria for the evaluation of the performance of Directors and formulated the Remuneration Policy.

- d. The terms of reference of Nomination and Remuneration Committee includes the following :
- 1) To identify persons who are qualified to become Directors and/or who may be appointed as Senior Management just below the level of Executive Directors in accordance with the criteria laid down and to recommend to the Board their appointment and removal.
 - 2) To formulate the criteria for evaluation and evaluate the performance of every Director, including the Independent Director.
 - 3) To formulate the criteria for determining qualifications, positive attributes and independence of a Director;
 - 4) To recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other Employees;
 - 5) To formulate the criteria for evaluation of the Independent Directors and the Board;
 - 6) To devise a policy on Board diversity;
 - 7) Any other functions as may be mandated by the Board or stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

III. Stakeholders Relationship Committee:

- a. The Stakeholder and Relationship Committee is consisting of following Directors:

Name	Designation	Non-executive / Independent
Shri. R. J. Jaju	Member	Non-Executive
Shri. V. R. Jaju	Member	Executive
Shri A. V. Jaju	Member	Non-Executive

- b. During the Year under review, the Stakeholders Relationship Committee met 6 (Six) times on 15-04-2015, 30-04-2015, 31-07-2015, 30-10-2015 , 19-12-2015 and 15-02-2016 at which all the members of the Committee were present.
- c. Mr. A. V. Kulkarni, of the Company is the Compliance Officer.
- d. No. of Shareholders complaints received – 08
- e. No. of Complaints solved to the satisfaction of shareholders – 08
- f. No. of Complaints not solved to the satisfaction of shareholders –Nil
- g. No. of pending Complaints – NIL

3. General Body Meetings :

Annual General Meeting (AGM)	Date	Time	Venue	Special Resolution Passed
2012-2013	27-09-2013	10.00 a.m.	B-2/2,M.I.D.C., Akkalkot Rd., Solapur	Yes
2013-2014	30-09-2014	10.00 a.m.	B-2/2,M.I.D.C., Akkalkot Rd., Solapur	No
2014-2015	30-09-2015	10.00 a.m.	B-2/2,M.I.D.C., Akkalkot Rd., Solapur	No

During the year under review, no Resolutions were passed through Postal Ballot.

No Special Resolutions on matters requiring Postal Ballot are placed for Shareholders' approval at the 32nd AGM.

4. Disclosures:

Related Party Transactions:

No transaction of material nature has been entered into by the Company with Directors or Management and their relatives, etc. that may have a potential conflict with interest of the Company.

Details of non –Compliance by the Company:

There is no Independent Director and Woman Director in the Board of Director of the Company. The Company is registered with BIFR. As per direction of BIFR, Company cannot change / make modification in existing Board of Directors.

The Company is in the process of creating its website.

Whistle Blower Policy:

The Company has adopted the Whistle Blower Policy. The Company does not deny access to any personnel to approach Audit Committee on any issue.

5. Means of Communication

- | | |
|--|--|
| 1. Whether half yearly report sent to Shareholders : | No, as the quarterly results of the Company are published in Newspaper. |
| 2. Newspapers in which Quarterly Results are Published : | Daily Vishwa Samachar |
| 3. Website if any at which results are published : | In process of creating website. |
| 4. The presentation made to Institutional investors or to the Analysts : | No presentation has been made to institutional investors or to the analysts. |

6. General Shareholder Information:

- | | |
|---|---|
| i. Annual General Meeting | |
| Date and Time | : 30 th September, 2016 at 10.00 a.m. |
| Venue | B-2/2, M.I.D.C., Akkalkot Road,
Solapur – 413 006 |
| ii. Financial Year | : 1 st April, 2015 to 31 st March, 2016 |
| iii. Book Closure Date | : 26.09.2016 to 30.09.2016 (both days inclusive) |
| iv. Dividend Payment Date | : Not Applicable |
| v. Listing on Stock Exchange | : BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001. |
| vi. Stock Code | : BSE Ltd – 521009 |
| vii. Payment of Listing Fees | : BSE – Paid upto Financial Year 2012-13 |
| viii. ISIN | : NA |
| ix. Market Price Data | |
| High, Low during each month in last Financial Year: | |
| | The Company is suspended due to penal reasons and Hence Market Price Data: High, Low during each month in last Financial Year cannot be obtained. |
-

x. Registrar & Transfer agents : M/s. Purva Sharegistry (India) Pvt. Ltd.
Unit no. 9, Shiv Shakti Industrial Estate,
J .R. Boricha marg, Opp. Kasturba Hospital Lane,
Lower Parel (E), Mumbai-400011.

xi. Share Transfer System : Share transfer in physical form can be lodged with M/s. Purva Sharegistry (India) Pvt. Ltd., at the above-mentioned address.

xii) Distribution of Shareholding as on 31st March, 2016

Category	No. of Shareholders	No. of Shares	% of total Shares
Upto 5000	10724	4201996	29.82
5001 to 1000	48	355735	2.52
10001 to 20000	25	366448	2.6
20001 to 30000	13	307381	2.18
30001 to 40000	5	172800	1.23
40001 to 50000	4	172800	1.23
50001 to 100000	10	646140	4.59
100001 & above	6	7866093	55.83
TOTAL:		14089393	100.00

Categories of Shareholders as on 31st March, 2016.

Categories	Number of Shares	Amount (in Rs.)	%
Promoters, Directors, Relatives of Directors & Associated Companies	7359177	73591770	52.23
Clearing Member	--	--	--
Other Bodies Corporate	1139987	11399870	08.09
Nationalised Banks	673900	6739000	04.78
Foreign Holdings (NRI)	6000	60000	00.04
Public	4848129	48481290	34.42
Total	14089393	140893930	100

xiii. Dematerialisation of Shares and Liquidity: NIL

xiv. Outstanding GDRs/ADRs/Warrants: There are no outstanding convertible warrants or instruments or any convertible instruments

xv. Plant locations

<u>Unit 1</u>	<u>Unit 2</u>
B-2/2, MIDC, Akkalkot Road Solapur – 413 006	A5 & A8, MIDC, Chincholi Solapur – 413 255

Address for Correspondence : **Registered Office:**
406/A, West Mangalwar Peth, Chati Galli, Solapur- 413002

RTA's Address:
M/s. Purva Sharegistry (India) Pvt. Ltd.
Unit no. 9, Shiv Shakti Industrial Estate,
J .R. Boricha marg, Opp. Kasturba Hospital Lane,
Lower Parel (E), Mumbai-400011.

7. Particulars of Directors seeking re-appointment:

Mr. Aditya V. Jaju (DIN: 02625781) is a B.Com by qualification. He is the Director of the following Companies:

Name of the Company	Designation / Membership of Board / Committee
Nil	N.A.

As per requirements of SEBI (Listing obligations and Disclosure Requirements) Regulations 2015 details are furnished below:

Name	Mr. Aditya V. Jaju
Age	26 Years
Date of Appointment	25/08/2009
Experience	7 Years
Qualification	B.Com.
Membership/Chairman of Committees of the other Companies	Nil

CERTIFICATION BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) OF THE COMPANY

The CEO and CFO Certification of the Financial Statements and Cash Flow Statement for the year are obtained.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT:**DECLARATION**

I, V. R. Jaju, Managing Director of Niwas Spinning Mills Limited, hereby declare that all the members of the Board of Directors and the Senior Managerial personnel have affirmed Compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Clause 49 of the Listing Agreement entered into with the Stock Exchange and SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, for the year ended 31.03.2016.

For **NIWAS SPINNING MILLS LIMITED**,

Place : Solapur
Date : 30-07-2016

V. R. Jaju
Managing Director
DIN : 00081475

REPORT OF THE AUDITORS ON CORPORATE GOVERNANCE

To the Members,
NIWAS SPINNING MILLS LIMITED,

We have examined the compliance of conditions of Corporate Governance by NIWAS SPINNING MILLS LIMITED for the year ended on March 31, 2016, as stipulated in:

- 1) Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchanges for the period from April 01, 2015 to November 30, 2015.
- 2) Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.
- 3) Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") for the period from September 02, 2015 to March 31, 2016 and
- 4) Regulations 17 to 27 (excluding regulation 23(4)), clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of the corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement & Schedule V of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievances are pending for a period of one month against the Company as per the records maintained by the Stakeholders' Relationship Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Camp – Solapur

Date : 30-07-2016

For B. M. Gattani & Co.,
Chartered Accountants
Firm Reg. No. 113536W

(B. M. GATTANI)
Proprietor
M. NO. 47066

INDEPENDENT AUDITOR'S REPORT

To the Members of
Niwas Spinning Mills Limited

Report on the (Standalone) * Financial Statements

1. We have audited the accompanying financial statements of NIWAS SPINNING MILLS LTD ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the (Standalone) * Financial Statements

2. The Companies management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2016, and its profit/loss and its cash flows for the year ended on that date.
-

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.

8. As required by section 143(3) of the Act, we further report that:

- a) we have sought and 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 account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014
- e) on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors. None of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refers to our separate report in Annexure –B. and
- g) With respect to the other matters to be included in the Audit's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, In our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For B M Gattani & Co
Chartered Accountants
Firm Registration No 113536W

Balmukund N Gattani
Proprietor
Place:Camp Solapur
Date : 30-07-2016

ANNEXURE-A OF THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our independent Auditor's Report to the members of the Company on the financial statements for the year ended March,31, 2016 we report that:

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information. The Company has taken certain machineries on lease basis since 2004-05 and same are held by the Company over lease from lessor.
b. All the assets have not been physically verified by the management during the year but there is a regular program of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As explained, the reconciliation of physical inventory of plant and machinery with book records is almost over and the Company is in process of reconciliation of physical inventory with book records in respect of furniture, fixtures and office equipment, hence material discrepancies, if any cannot be ascertain at this stage which in the opinion of management will be NIL.
c. The Company has not disposed-off substantial / major part of fixed assets during the year, except absolute/scrap asset of Rs. 29.13 Lacs.
 2. a. As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c. In our opinion and according to the information and explanations given to us and on the basis of examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies noted on physical verification as compared to books and records were not material and have been properly dealt with in the books of accounts.
 3. In respect of the loans, secured or unsecured, given/taken by the company from companies, firms or other parties covered in the register maintained u/s. 189 of the Companies Act, 2013.
 - a) The repayment of principal amounts and interest during the year has been as per stipulation.
 - b) There are overdue amounts of more than Rs. 100,000/- outstanding at the year-end, whether reasonable steps have been taken by the company for recovery of the principal and interest.
 4. On the basis of checks carried out during the audit and as per explanations given to us, we are of the opinion that, there are adequate internal control procedures commensurate with the size of the Company and nature of its business; with regard to the purchase of inventory and fixed assets, and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
 5. The Company has not accepted any deposits from the public.
 6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
 7. According to the records of the Company and information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year except an amount of Rs. 3.41 Lacs towards contribution to P.F. not made.
 8. According to the records of the Company and information and explanations given to us, disputed Excise Duty demands aggregating to Rs. 11.82 Lacs have not been deposited. The said dispute is pending before Appellate Tribunal. Also there is a disputed Income Tax for the Ass.Year 1995-96 demands aggregating to Rs 10.18 lacs out of which Rs 9.35 lacs have been deposited / adjusted and the balance is still required to be paid.
 9. According to the information and explanations given to us there were no amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
-

10. The Company has accumulated losses as at the end of the year and the Company has incurred cash losses during the current and immediately preceding financial year
11. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has defaulted in the repayment of dues to financial institutions/ banks.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares debentures and other securities.
13. The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Societies are not applicable to the Company.
14.
 - a. The Company is not in the business of dealing or trading in shares. Based on the records examined by us and according to the information and explanations given to us, we are of the opinion that the Company is maintaining proper record of the investments, which are negligible and that timely entries have been made in these records.
 - b. Based on our audit procedures and to the best of our knowledge and belief and according to the information and explanations given to us, the investments including shares and securities have been held by the Company in its own name.
- 15 According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- 16 According to the Cash Flow Statement and records examined by us and according to the information and explanations given to us, on overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment and vice versa.
- 17 The Company has not made any preferential allotment to parties and companies covered under register maintained under section 301 of the Companies Act, 1956 during the year and the question of whether the price at which the shares have been issue prejudicial to the interest of the Company does not arise.
- 18 According to the information and explanations given to us and the records examined by us, securities have been created in respect of the debentures issued.
- 19 The Company is a Sick Industrial Company within the meaning of clause (O) sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
- 20 The Company has not raised money by any public issues during the year and hence the question of disclosure and verification of end use of such money does not arise.
- 21 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For B. M. Gattani & Co.
Chartered Accountants
Firm Reg. No. 113536W

Place : Camp - Solapur
Date : 30-07-2016

(B. M. Gattani)
Proprietor
Mem. No. 47066

ANNEXURE-B TO INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial controls under clause (i) of Sub Section 3 of Section 143 of the Companies Act, 2013 (The Act')

We have audited internal financial controls over financial reporting of NIWAS SPINNING MILLS LIMITED ("The Company") as of March 31, 2016 in conjunction with our audit of the Financial statements of the Company for the year then ended on the date.

Management's Responsibilities for the Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). The responsibilities includes design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of business, including adherence to Company's policies, the safeguarding of the assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and Guidance note require that we comply with ethical requirements and plan and perform audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedure to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide a reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedure that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
 2. Provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and the receipts and expenditures of the Company are being made only in accordance with authorization of management and the directors of the Company; and
 3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.
-

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management overrides of controls, material misstatements due to error or fraud may occur and not to be detected. Also, projections of any evaluation of the internal financial control over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material aspects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Camp - Solapur

Date : 30-07-2016

For B. M. Gattani & Co.
Chartered Accountants
Firm Reg. No. 113536W

(B. M. Gattani)
Proprietor
Mem. No. 47066

NIWAS SPINNING MILLS LIMITED

CIN – L17110PN1984PLC032702

Balance Sheet as at 31st March, 2016

Particulars	Note No.	AS ON 31.03.2016 (Amt. in Rs.)	AS ON 31.03.2015 (Amt. in Rs.)
<u>I. EQUITY AND LIABILITIES</u>			
(1) Shareholder's Funds			
(a) Share Capital	2	14,08,93,930	14,08,93,930
(b) Reserves and Surplus	3	-22,85,22,236	-28,22,10,691
(2) Non-Current Liabilities			
(a) Long Term Borrowings	4	4,50,38,649	6,57,49,829
(b) Long Term Provision	5	9,45,437	9,47,972
(3) Current Liabilities			
(a) Short Term Borrowings	6	1,51,16,479	1,75,08,109
(b) Trade Payable	7	9,32,74,993	8,40,87,211
(c) Short Term Provision	8	86,32,586	6,75,01,798
Total		7,53,79,840	9,44,78,158
<u>II. ASSETS</u>			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	4,08,35,905	4,96,25,601
(2) Investments	10	18,000	18,000
(3) Current Assets			
(a) Inventories	11	52,83,386	88,49,438
(b) Trade Receivables	12	57,17,590	41,11,336
(c) Cash and Cash Equivalents	13	2,55,894	81,72,198
(d) Short-Term Loans and Advances	14	2,32,69,064	2,37,01,585
Total		7,53,79,840	9,44,78,158

Significant Accounting Policies 1
 Accompanying notes to accounts 23
 In terms of our report of even date attached.

For B M GATTANI & CO
 CHARTERED ACCOUNTANTS
 Firm Reg. No. 113536W

For & on behalf of the board of directors

B M GATTANI
 PROPRIETOR
 M.No. 47066
 PLACE : CAMP-SOLAPUR
 DATE : 30-07-2016

A. V. Jaju
 Director
 DIN : 02625781

V. R. Jaju
 Managing Director
 DIN:00081475

NIWAS SPINNING MILLS LIMITED

CIN – L17110PN1984PLC032702

Statement of Profit and Loss for the year ended 31st March, 2016

Particulars	Note No	F.Y. 2015-16	F.Y. 2014-15
A. CONTINUOUS OPERATIONS			
I. Revenue from Operations	15	5,09,26,928	4,09,88,788
II. Other Income	16	13,72,620	14,17,019
III. Total Revenue (I +II)		5,22,99,548	4,24,05,807
IV. Expenses:			
Cost of Raw Materials Consumed	17	4,84,74,949	3,30,22,646
Changes in inventories of FG,WIP & Trade Stock		-	-
Manufacturing Expenses	18	1,08,61,239	85,84,364
OTS Reschedulment	--	-	-
Financial costs	19	43,02,947	95,05,654
Depreciation and Amortization Expense	20	68,45,516	74,07,553
Administrative Expenses	21	14,47,920	16,39,786
Total Expenses		7,19,32,571	6,01,60,003
V. Profit before exceptional & extraordinary items & tax (III-IV)		-1,96,33,023	-1,77,54,196
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V-VI)		-1,96,33,023	-1,77,54,196
VIII. Extraordinary Items		--	--
IX. Profit Before Tax (VII-VIII)		-1,96,33,023	-1,77,54,196
X. Tax Expense:			
(1) Current Tax		-	-
(2) Income Tax		-	-
(3) Deferred Tax		-	-
XI. Profit(Loss) from the period from continuing operations (IX-X)		-1,96,33,023	-1,77,54,196
B. DISCONTINUING OPERATIONS			
XII. Profit/(Loss) from discontinuing operations		7,33,21,479	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
C. TOTAL OPERATIONS			
XV. Profit/(Loss) for the period (XI + XIV)		5,36,88,456	-1,77,54,196
Earnings Per Equity Share (Nominal value of Rs. 10/- each)			
a. Basic	22	3.81	-1.26
b. Diluted		3.81	-1.26

Significant Accounting Policies

1

Accompanying notes to accounts

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In terms of our report of even date attached.

For B M GATTANI & CO

For & on behalf of the board of directors

CHARTERED ACCOUNTANTS

Firm Reg. No. 113536W

B M GATTANI

PROPRIETOR

M.No. 47066

PLACE : CAMP-SOLAPUR

DATE : 30-07-2016

A. V. Jaju

Director

DIN : 02625781

V. R. Jaju

Managing Director

DIN : 00081475

Notes to Accounts for year ended March 31, 2016

The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary

(Amts. in Rs.)

Note : 2 Share Capital

Sr. No	Particulars	F.Y.-2015-16	F.Y.-2014-15
1	AUTHORIZED CAPITAL 25000000 Equity Shares of Rs. 10/- each	25,00,00,000	25,00,00,000
		25,00,00,000	25,00,00,000
2	ISSUED , SUBSCRIBED & PAID UP CAPITAL 14089393 Equity Shares of Rs. 10/- each	14,08,93,930	14,08,93,930
	Total	14,08,93,930	14,08,93,930

Reconciliation of No. Of Shares

		F.Y.-2015-16	F.Y.-2014-15
	Number of Equity Shares at the beginning	1,40,89,393	1,40,89,393
	Add:- Number of Shares Issued	--	--
	Number of Equity Shares at the end	1,40,89,393	1,40,89,393

Below are the name of the shareholders holding more than 5% of Shares for the Year ended Ended 31.03.2015 & 31.03.2016

Class of Share	Name	No. of Share Holding	Percentage of Holding
Equity	N. V. JAJU	52,75,145	37.44
Equity	I. THAKRAL	14,52,500	10.31

Note : 3 Reserve & Surplus

Sr. No	Particulars	F.Y.-2015-16	F.Y.-2014-15
1	Capital Reserve Opening balance Add:-For the year	2,62,22,030 --	2,62,22,030 --
		2,62,22,030	2,62,22,030
2	Securities Premium Reserve (including Forfeiture) Opening balance Add:- For the Year	23,17,18,150 -	23,17,18,150 -
		23,17,18,150	23,17,18,150
3	General Reserve Opening balance Add:-For the year	82,78,946 --	82,78,946 --
		82,78,946	82,78,946
4	Profit & Loss Account Surplus - Opening Balance Add: After Waiver Settlement transferred from Statement of Profit & Loss Balance in Profit & Loss (A-B)	-54,84,29,818 5,36,88,456 -49,47,41,362	-53,06,75,622 -1,77,54,196 -54,84,29,818
	Total	-22,85,22,236	-28,22,10,691

Note : 4 Long Term Borrowings

Sr. No.	Particulars	F.Y.-2015-16	F.Y.-2014-15
	<u>SECURED:</u>		
1	*a) Term Loan from ARCIL (SICOM)	3,42,00,000	4,55,00,000
	b) Interest Provision	---	---
2	Hire Purchase Machinery - Kirloskar Inv & Fin Ltd.	27,17,029	27,17,029
3	*Working Capital - Secured by C/C & Book Debts		
	*a) IARCL (BOB)	81,21,620	1,75,32,800
	(*Personal guarantees of Chairman & Mg. Director)		
	*(Please refer 4 a & 4 b of Note No. 23)		
	Total	4,50,38,649	6,57,49,829

Note: 5 Long Term Provision

Sr. No	Particulars	F.Y.-2015-16	F.Y.-2014-15
1	Provision for Employee Benefit	9,45,437	9,47,972
		9,45,437	9,47,972

Note: 6 Short Term Borrowings

Sr. No	Particulars	F.Y.-2015-16	F.Y.-2014-15
1	Loan taken from Promoter / Director	1,14,21,265	1,36,77,895
2	Loan taken from Others	36,95,214	38,30,214
		1,51,16,479	1,75,08,109

Note: 7 Trade Payables

Sr. No	Particulars	F.Y.-2015-16	F.Y.-2014-15
1	Trade Payable	9,32,74,993	8,40,87,211
	There are not available for verification disclosers from Micro & Small enterprises.		
		9,32,74,993	8,40,87,211

Note : 8 Short Term Provision

Sr. No	Particulars	F.Y.-2015-16	F.Y.-2014-15
1	Advance from Customers & Other Payable	44,22,257	6,53,82,067
2	Provision For Expenses	39,75,330	20,28,620
3	Provision for Fees	46,045	45,596
4	TDS Payable	1,88,954	45,515
	Total	86,32,586	6,75,01,798

Note 9 : Fixed Assets (Tangible Assets)

Sr. No	Particulars	Rate	Gross Block				Depreciation				WDV as on 31.03.2016	WDV as on 31.03.2015
			Value at the beginning	Addition	Deletion	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end		
1	Land	1.01	3648983	0	1856212	17927771	580880	15625	0	596505	1196266	3068103
2	Factory Buildings	10.00	50564070	0	322309	50241761	44207262	603450	0	44810712	5431049	6356808
3	Admn. Office Building	5.00	3726342	0	0	3726342	2865834	43025	0	2908859	817483	860508
4	Plant & Machinery	15.33	778495396	969300	4969757	774494939	739224620	6168804	4234797	741158627	33336312	39270776
5	Furniture & Fixture	18.10	1316123	0	0	1316123	1298256	3234	0	1301490	14633	17867
6	Vehicles	25.89	20428	0	0	20428	20336	23	0	20359	69	92
7	Office Equipment	15.00	574910	0	0	574910	538011	5535	0	543546	31364	36899
8	Computer & Fax	40.00	715141	0	0	726340	711792	5819	0	717611	8729	14548
TOTAL			839072592	969300	7148278	832893614	7894469991	6845515	4234797	792057709	40835905	49625601

Note : 10 Investments

Sr. No	Particulars	F.Y.-2015-16	F.Y.-2014-15
1	Long Term - At Cost		
	Shares of Vikas Sahakari Bank Ltd - Unquoted (20 Nos Equity Shares of Rs. 25/- each)	500	500
	Shares of Nilkanth Co-op Bank Ltd - Unquoted 2500 Equity Shares of Lahoti Overseas Ltd - Quoted (Market Price as on 31.03.16 Rs. 9.90 per Share)	5,000	5,000
		12,500	12,500
	Total	18,000	18,000

Note : 11 Inventories

Sr. No	Particulars	F.Y.-2015-16	F.Y.-2014-15
1	Raw Materials	52,83,386	88,49,438
2	Finished Goods	-	-
	Total	52,83,386	88,49,438

Note : 12 Trade Receivables

Sr. No	Particulars	F.Y.-2015-16	F.Y.-2014-15
1	Secured considered good	-	-
2	Unsecured considered good	57,17,590	41,11,336
3	Unsecured considered doubt-ful	-	-
	Total	57,17,590	41,11,336

Note : 13 Cash & Cash Equivalent

Sr. No	Particulars	F.Y.-2015-16	F.Y.-2014-15
1	Balance with Bank & Margin Account	18,229	79,78,260
2	Cash on Hand	2,37,665	1,93,938
	Total	2,55,894	81,72,198

Note :14 Short Terms Loans and Advances

Sr. No	Particulars	F.Y.-2015-16	F.Y.-2014-15
1	Balance with Public Bodies	7,03,851	11,77,351
2	Dr. Bal of Cr/Other Adv	1,94,47,403	1,86,65,744
3	Balance with Tax Authorities (VAT, I.T. TDS)	31,17,810	38,58,490
	Total	2,32,69,064	2,37,01,585

Note : 15 Income from Operations

Sr. No	Particulars	F.Y.-2015-16	F.Y.-2014-15
	<u>Revenue from Operations</u>		
	Sale of Products		
1	Finished Goods	1,68,42,033	3,05,50,394
2	Traded Goods	3,40,84,895	1,04,38,394
	Total	5,09,26,928	4,09,88,788

Note : 16 Other Income

Sr. No	Particulars	F.Y.-2015-16	F.Y.-2014-15
1	Interest Income	76,803	96,929
2	Dividend	1,000	2,250
3	Misc Income	79,776	--
4	Scrap absolute asset	--	3,00,000
5	Hank Yarn Obligation	--	26,233
6	Profit absolute asset	12,15,041	9,91,607
	Total	13,72,620	14,17,019

Note : 17 Cost of Material Consumed

Sr. No	Particulars	F.Y.-2015-16	F.Y.-2014-15
1	Opening Stock of Raw Material	88,49,438	1,27,32,284
	Add : Purchases	4,49,08,897	2,91,39,800
		5,37,58,335	4,18,72,084
	Less : Closing Stock	52,83,386	88,49,438
	Total	4,84,74,949	3,30,22,646

Note : 18 Manufacturing Expenses

Sr. No	Particulars	F.Y.-2015-16	F.Y.-2014-15
1	Maintenance & Repairs	3,42,364	3,85,047
2	Power & Water	69,96,604	56,89,952
3	Transportation of Raw Material	1,95,100	83,500
4	Processing Charges	3,53,610	4,44,608
5	Vat Set-off Reduction	4,35,825	12,163
6	<u>Employee Benefit Expenses</u>		
	a. Salaries & Wages	14,97,684	9,80,727
	b. Gratuity	22,465	28,927
	c. Contribution to EPF	87,830	54,336
	d. Contribution to ESIC	22,993	29,352
	e. Conveyance Allowance	8,400	16,500
7	<u>Sales & Distribution Expenses</u>		
	a. Packing Material Consumed	1,46,159	1,77,114
	b. Forwarding & Octroi	33,425	47,816
	c. Commission, Brokerage & Discount	1,19,346	1,50,396
	d. Vehicle Expenses	5,99,434	4,83,926
	Total	1,08,61,239	85,84,364

Note : 19 Financial Cost

Sr. No	Particulars	F.Y.-2015-16	F.Y.-2014-15
1	Interest Expense	42,95,054	94,59,909
2	Bank Charges	7,893	45,745
	Total	43,02,947	95,05,654

Note : 20 Depreciation & Amortised Cost

Sr. No	Particulars	F.Y.-2015-16	F.Y.-2014-15
1	Depreciation	68,45,516	74,07,553
	Total	68,45,516	74,07,553

Note : 21 Administrative & Other Expenses

Sr. No	Particulars	F.Y.-2015-16	F.Y.-2014-15
1	Audit Fees a. Statutory Audit	24,045	23,596
	c. Cost Audit	22,000	22,000
	d. Others	--	--
2	Filing Fees	--	30,200
3	General Expenses	--	14,983
4	Insurance Charges	1,03,168	1,40,411
5	Legal & Professional Fees	3,94,811	3,61,351
6	Postage & Telegraph Exp.	59,302	86,114
7	Printing & Stationery Exp.	34,759	17,010
8	Rent & Taxes	24,098	2,58,165
9	Telephone & Internet Expenses	1,06,960	1,03,362
10	Travelling Expenses	1,80,780	84,595
11	Director Remuneration & Allowance	3,69,442	3,55,580
12	Advertisement & Business promotion	18,135	25,160
13	Auditors Expenses	8,558	9,080
14	Office Rent & Management Expenses	87,701	76,786
15	Labour Welfare Fund	1,668	1,374
16	Inspection & License Fees	--	13,808
17	Building Repairs & Maintenance	12,493	14,930
18	MVAT Assessed Dues	--	1,281
	Total	14,47,920	16,39,786

Note : 22 Earnings Per Equity Share

Sr. No	Particulars	F.Y.-2015-16	F.Y.-2014-15
1	Basic	3.81	-1.26
2	Diluted	3.81	-1.26

Significant Accounting Policies 1
Accompanying notes to accounts 23
In terms of our report of even date attached.

For B M GATTANI & CO
CHARTERED ACCOUNTANTS
Firm Reg. No. 113536W

For & on behalf of the board of directors

B M GATTANI
PROPRIETOR
M.No. 47066
PLACE : CAMP-SOLAPUR
DATE : 30-07-2016

A. V. Jaju
Director
DIN : 02625781

V. R. Jaju
Managing Director
DIN : 00081475

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

		Amount in (Rs)	
		31/03/2016	31/03/2015
Cash Flow From Operating Activities			
Profit Before Tax		(1,96,33,023)	(1,77,54,196)
Adjustments For:			
Waiver			
Depreciation,-Net of Capitalisation		68,45,516	74,07,553
Interest Expense		43,02,947	95,05,654
Other Income		(13,72,620)	(14,17,019)
Operating Profit Before Working Capital Change		97,75,843	1,54,96,188
Adjustments For Change in:			
Trade payable		91,87,782	1,02,13,366
Non Current Liabilities		(2,07,13,715)	(42,73,273)
Current Liabilities		(6,12,60,843)	1,61,56,088
Trade Receivables		(16,06,254)	(33,15,681)
Inventories		35,66,052	38,82,846
Short Term Loans & Advance		4,32,521	(1,13,51,575)
Cash Generated From Operations		(7,03,94,457)	1,13,11,771
Net Cash Flow From Operating Activities	(A)	(8,02,51,637)	90,53,763
Purchase of Fixed Assets		(9,69,300)	(56,84,999)
Sale of Investment		--	--
Sale of Fixed Assets		7,62,34,960	14,766
Other Income		13,72,620	14,17,019
Net Cash Flow Used in Investing Activities	(B)	7,66,38,280	(42,53,214)
Reduction in Reserves & Surplus			
Interest paid		(43,02,947)	(95,05,654)
Net Cash Flow From Financing Activities	(C)	(43,02,947)	(95,05,654)
Net Cash Inflow/(Outflow)	(A+B+C)	(79,16,304)	(47,05,105)
Opening Cash & Cash Equivalents		81,72,198	1,28,77,303
Closing Cash & Cash Equivalents		2,55,894	81,72,198
Net Increase/Decrease in Cash & Cash Equivalents		79,16,304	47,05,105

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

1. SIGNIFICANT ACCOUNTING POLICIES:

1.1 Basis for preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles (GAAP) in India. GAAP includes Accounting Standards (AS) notified by the Government of India under Section 133 of the Companies Act, 2013, provisions of the Companies Act, 2013, pronouncements of Institute of Chartered Accountants of India and guidelines issued by Securities and Exchange Board of India (SEBI). The Company has presented financial statements as per format prescribed by Revised Schedule III, notified under the Companies Act, 2013, issued by Ministry of Corporate Affairs. Except where otherwise stated, the accounting policies are consistently applied.

1.2 Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make assumptions, critical judgements and estimates, which it believes are reasonable under the circumstances that affect the reported amounts of assets, liabilities and contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Difference between the actual results and estimates are recognized in the period in which the results are known or materialize.

1.3 Fixed assets, depreciation and amortization

Tangible assets:

- (a) Tangible fixed assets are stated at cost of acquisition or construction less accumulated depreciation. The cost of fixed asset includes non-refundable taxes & levies, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing cost attributable to acquisition or construction of qualifying fixed assets is capitalized to respective assets when the time taken to put the assets to use is substantial.
- (b) Pre-operative expenditure comprising of revenue expenses incurred in connection with project implementation during the period up to commencement of commercial production are treated as part of project costs and are capitalized. Such expenses are capitalized only if the project to which they relate, involve substantial expansion of capacity or up gradation.
- (c) Depreciation on fixed assets is provided on straight line method on the basis of the depreciation rates prescribed in Schedule II of the Companies Act, 2013 or based on useful life of the asset as estimated by the management, whichever is higher.
- (d) Cost of leasehold land (except for lease of long tenure) is amortized over the period of the lease. Cost of lease hold land where lease period is of long tenure and substantial rights of ownership are with lessee, is not amortized.

Impairment of assets:

- (a) Fixed Assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is then recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Fixed Assets that have been retired from their active use and held for disposal, are classified as current assets, and are stated at lower of their cost or net realizable value.

1.4 Investments

- a) Long-term investments are stated at cost. Provision is made to recognize any diminution in value, other than that of a temporary nature.
 - b) Current investments are carried at lower of cost and fair value. Diminution in value is charged to the statement of profit and loss.
 - c) Current investments readily convertible in known amount of cash and subject to insignificant risk of changes in value are classified as cash and cash equivalents for preparation of cash flow statement.
-

1.5 Cash flow statement

The cash flow statement is prepared under the “Indirect Method” as set out in AS - 7 “Cash Flow Statements” issued by the Institute of Chartered Accountants of India.

1.6 Inventories

Inventories are valued at the lower of cost and net realizable value. Provision for impairment is made when there is high uncertainty in salability of an item. Costs incurred in bringing inventories to its existing location and conditions are determined on the following basis:

- (a) Raw materials and packing materials - Purchase cost of materials on moving average basis.
- (b) Finished goods (manufactured) and work-in-progress - Cost of purchase, cost of conversion and other costs proportionately allocated determined on weighted average basis
- (c) Finished goods (traded) - Purchase cost on moving average basis.

1.7 Revenue recognition

- (a) Revenue from sale of goods is recognized when the significant risks and rewards of ownership of goods are transferred to the customer. Sales are net of discounts, sales tax, value added tax and estimated returns.
- (b) Provision for sales returns are estimated primarily on the basis of historical experience, market conditions and specific contractual terms and provided for in the year of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with contractual and legal obligations, trade practices, historical trends, past experience and projected market conditions.
- (c) Income from services is recognized when the services are rendered or when contracted milestones have been achieved.
- (d) Revenue from arrangements which includes performance of obligations is recognized in the period in which related performance obligations are completed.
- (e) Export entitlements are recognized as income when right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.
- (f) Dividend income is recognized when the right to receive dividend is established.
- (g) Interest income is recognized using the time-proportion method, based on rates implicit in the transaction.
- (h) Revenue in respect of other income is recognized when a reasonable certainty as to its realization exists.

1.8 Employee retirement and other benefits

Short-term employee benefits:

Short-term employee benefits like salaries, wages, bonus and welfare expenses payable wholly within twelve months of rendering the services are accrued in the year in which the associated services are rendered by the employees.

Long-term employee benefits:

(a) Defined contribution plan:

Contribution in case of defined contribution plans (provident fund, superannuation benefit, social security schemes and other fund/schemes) is charged to the statement of profit and loss as and when it is incurred as employees' costs.

(b) Defined benefit plan :

The accruing liability on account of gratuity (retirement benefit in the nature of defined benefits plan) is actuarially valued every year. The current service cost, interest cost, expected return on plan assets and the actuarial gain / loss are debited / credited, as the case may be to the statement of profit and loss of the year as employees' costs.

(c) Other long-term benefits:

Long-term compensation plan to employees (being deferred compensation paid 12 months or more after the end of the period in which it is earned) are expensed out in the period to which the costs relate at present value of the benefits under the plan. The liability for compensated absences and leave encashment is provided on the basis of actuary valuation, as at balance sheet date.

1.9 Finance costs

Finance costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

1.10 Accounting for taxes

- (a) Current tax is accounted on the basis of estimated taxable income for the current accounting year and in accordance with the provisions of the Income Tax Act, 1961.
- (b) Deferred tax resulting from “timing differences” between accounting and taxable profit for the period is accounted by using tax rates and laws that have been enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. Net deferred tax liabilities are arrived at after setting off deferred tax assets.

1.11 Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Liabilities which are of contingent nature are not provided but are disclosed at their estimated amount in the notes forming part of the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

1.12 Leases

Finance Lease

Leases which effectively transfer to the Company all risks and benefits incidental to ownership of the leased item are classified as Finance Lease. Lease rentals are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return.

Operating Lease

Lease where the lesser effectively retains substantially all risks and benefits of the asset are classified as Operating lease. Operating lease payments are recognized as an expense in the Profit & Loss account on a Straight Line Basis over the Lease term.

1.13 Earnings per Share

In determining the Earnings Per share, the company considers the net profit after tax which includes any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

1.14 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

1.15 Preliminary and Pre-operative expenses:

Preliminary and pre-operative expenses are amortized over a period of five years in equal installments in accordance with matching concept however the same is contrary to AS-26.

2. NOTES FORMING PART OF THE ACCOUNTS:

1) Contingent Liabilities not provided for in respect of:

- a) Bank Guarantee of Rs. 833.56 Lacs for E.P.C.G.
- b) Disputed liabilities in respect of Excise Duty of Rs. 11.82 lacs and disputed Income Tax assessed dues of Rs. 10.18 Lacs (Out of which Rs. 9.35 Lacs paid/adjusted till the year under report). Both Excise & I.T. Liabilities are disputed and matter is sub-judiced under Appellate Tribunal and High Court respectively.

2) Other Notes:

- a. The Company has applied for de-listing of security from Pune and Ahmedabad Stock Exchange. As on today there is no official de-listing of the Shares approved from both the Stock Exchange.
- b. The Company has also not complied with mandatory requirements of "De-materialisation" of its securities.

3) Deferred Tax Liability:

No provision is made for Deferred Tax Liability as required by accounting standard 22. According to the Company no provision for deferred tax liability is made in view of continuous losses and according to the Company it will not be able to recover these Losses in near future.

4)

- a. Hire Purchase of Machinery of Rs. 27.17 Lacs, no payment made during the year and no interest is provided.
- b. The secured loan of ARCIL & IARCL carried forward as per settlement in earlier year, Rs 208.23 Lakh payment during the year Including 1.12 Lakh including interest on delayed payment.

5) i) Remuneration to Whole-time Director:

- a. The Computation of net profits for the purpose of calculations of Director remuneration under section 349 of the Companies Act, 1956 is not enumerated since no commission is paid / payable to the whole time Director.

b. Payment to Directors

Sr. No.	Particulars	2015-2016 (Rs. In Lacs)	2014-2015 (Rs. In Lacs)
1	Managing Director's Remuneration	3.00	3.00

Payment to Auditors

Sr. No.	Particulars	2015-2016 (Rs. In Lacs)	2014-2015 (Rs. In Lacs)
1	Audit Fees	0.15	0.15
2	Tax Audit	0.09	0.09
Total		0.24	0.24

6) Earnings per share:

	31-03-2016	31-03-2015
NPBT	(19633023)	(17754196)
Tax Expenses	--	--
Numerator (A)	(19633023)	(17754196)
No. of Equity Shares used as denominator (B)	14089393	14089393
Basic / Diluted EPS (A/B)	-1.39	-1.26

7) Previous year figures have been regrouped & rearranged wherever necessary.

8) Balances of Sundry Debtors, Sundry Creditors, Loans and Advances given, Secured & Unsecured loans are taken as per confirmation by the management.

9) Micro and medium scale business entities:

There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at March 31, 2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

10) The company operates mainly in one segment i.e. Textiles.

11) Additional information as required under Schedule VI Part II of the Companies Act, 1956 (as certified by Managing Director)

Sr.	Particulars	2015-16	2014-15
A)	Quantitative Information		
i)	Capacity Licensed	70,480 Spindles 100 Looms	70,480 Spindles 100 Looms
ii)	Installed	13,968 Spindles 32 Looms	26,208 Spindles 32 Looms
iii)	Class of Goods Manufactured Cotton Yarn Towel	87,900 Kgs 11,392 Kgs	1,01,331 Kgs 58,501 Kgs
iv)	Opening Stock of Finished Goods	Nil Kgs	Nil Kgs
v)	Closing Stock of Finished Goods	Nil Kgs	Nil Kgs

Vi	Raw Material Consumed during the year 100% indigenous				
	Description	2015-2016		2014-2015	
		Quantity	Value	Quantity	Value
	Cotton	1,01,082 Kgs	97,51,508	1,17,639 Kgs	1,23,92,592
	Yarn	11.497 Kgs	16.44.739	59,277 Kgs	86,31,095

Vii	Turnover				
	Description	2015-2016		2014-2015	
		Quantity	Value	Quantity	Value
a.	Cotton Yarn Towel	87,900 Kgs 11,392 Kgs	1,39,10,603 29,20,414	92,131 Kgs 58,501 Kgs	1,47,93,159 1,56,59,223
b.	Cotton Waste/Hard Waste/Towel Waste	405 Kgs	11,016	16,585 Kgs	98,012
c.	Trading activity Towel Yarn Resale	1,90,757 Pcs 34,800 Kgs	2,88,42,095 52,42,800	51,660 Pcs 19,505 Kgs	77,49,000 26,89,394

B) Other information about employees, earnings in foreign exchange, expenditure in foreign exchange etc.

1. Foreign Exchange used
CIF Value of Direct Import – Capital Goods, Stores
& Spare Parts Rs. Nil
2. Travelling Expenditure in foreign exchange Rs. Nil
3. Earnings in Foreign Exchange Rs. Nil

12) Excise: Duty exempted under Notification No. 30/2004 dated 09-07-2004.

13) As per the management investments are at realizable value and therefore no provision is made for the diminution in the value of the investments.

14) Related Party Disclosure:

- a) Related Companies / Firm
Spinomat Textiles Pvt. Ltd
Neeta Textiles
- b) Key Management Personnel
A.V. Jaju
V.R. Jaju

(Rs. In Lacs)

Related Parties	Nature of Transaction	Bal. as on 01/04/2015	Dr.	Cr.	Balance as on 31/03/16
A. V. Jaju	Financial Charges	36.77	27.60	5.03	14.21
Spinomat Textiles Pvt Ltd	Purchase	38.55	86.25	70.89	53.92
Neeta Textiles	Financial Charges	100.00	18.00	18.00	100.00
V. R. Jaju	Remuneration	Nil	3.69	3.69	Nil

For B. M. GATTANI & CO.
Chartered Accountants
Firm Reg. No. 113536W

For & On Behalf of Board of Directors

(B. M. GATTANI)
Proprietor
Mem. No. 47066

V. R. Jaju
Mg. Director
DIN : 00081475

A. V. Jaju
Director
DIN : 02625781

CAMP - SOLAPUR
DATE : 30-07-2016

NIWAS SPINNING MILLS LTD.

CIN – L17110PN1984PLC032702

STATEMENT PURSUANT TO PART IV TO THE COMPANIES ACT, 1956

Balance Sheet Abstract and Company's General Business Profile.

i. Registration Details

Registration No.	:	32702
State Code	:	11
Balance Sheet Date	:	31/03/2016

i. Capital Raised During the year (Amount in Rs. Lacs)

Public Issue	:	Nil
Rights Issue	:	Nil
Bonus Issue	:	Nil
Private Placement	:	Nil

ii. Position of Mobilisation and Development of Funds (Amount in Rs. Lacs)

Total Liabilities	:	753.79
Total Assets	:	753.79
Sources of Funds		
Paid-up Capital	:	1408.94
Reserves & Surplus	:	(2285.22)
Secured Loans	:	450.38
Unsecured Loans	:	Nil
Application of Funds		
Net Fixed Assets	:	408.35
Investments	:	0.18
Net Current Assets	:	(824.98)
Misc. Expenditure	:	Nil
Accumulated Losses	:	(4947.41)

iii. Performance of Company (Amount in Rs. Lacs)

Turnover	:	522.99
Total Expenditure	:	719.32
Profit Before Tax	:	(196.33)
Profit After Tax	:	(196.33)
Earnings per Share (Rs.)	:	(1.39)
Dividend Rate (%)	:	---

iv. General Names of three principal products of the Company

Item Code No.	Product Description
520511	Cotton Yarn
550922	Polyester Yarn
---	Terry Towel