

NIWAS SPINNING MILLS LIMITED

THIRTY THIRD ANNUAL REPORT AND ACCOUNTS 2016-2017

BOARD OF DIRECTORS

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

CIN : L17110PN1984PLC032702

REGD. & ADMN. OFFICE

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

FACTORIES

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

AUDITORS

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

BANKERS

Bank of India
Vikas Sahakari Bank Ltd.
IDBI Bank

NOTICE

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

ORDINARY BUSINESS:

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

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

SPECIAL BUSINESS:

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

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

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

NIWAS SPINNING MILLS LIMITED

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

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

3. **Perquisites** :

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

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

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

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

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

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

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

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

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

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

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

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

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

For NIWAS SPINNING MILLS LTD.

PLACE : SOLAPUR
DATED : 01/09/2017

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

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

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

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

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

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

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

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

17. VOTING PROCESS

A. Voting through electronic means:

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

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

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

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

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

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

If you are a first time user follow the steps given below:

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

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

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

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

(xviii) Note for Non-Individual Shareholders and Custodians

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

A scanned copy of the Registration Form bearing the stamp and sign of the Entity should be emailed to helpdesk.evoting@cdslindia.com.

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

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

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

B. In case of members receiving the physical copy:

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

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

C. Voting at the Annual General Meeting

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

FOR NIWAS SPINNING MILLS LTD.

PLACE : SOLAPUR

V. R. Jaju

DATE : 01.09.2017

Managing Director

ANNEXURE TO NOTICE

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

Item No. 4 of Notice:

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

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

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

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

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

NIWAS SPINNING MILLS LIMITED

II. Information about the appointee:

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

III. Other Information :

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

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

Item No. 5 of the Notice

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

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

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

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

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

ANNEXURE TO ITEMS 2, 4 & 5 OF THE NOTICE

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

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

FOR NIWAS SPINNING MILLS LTD.

PLACE : SOLAPUR

(V.R. Jaju)

DATE : 01.09.2017

Managing Director

NIWAS SPINNING MILLS LIMITED

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

DIRECTORS' REPORT

To the Members,

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

1. FINANCIAL SUMMARY / PERFORMANCE OF THE COMPANY:

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

• Financial Highlights:

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

• Debt Restructuring:

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

2. DIVIDEND:

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

3. RESERVES:

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

4. BRIEF DESCRIPTION OF COMPANY'S WORKING:

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

• Industry Structure and Business Overview:

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

• Risk Management:

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

• Segment-wise Performance:

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

• Financial Performance:

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

• Human Resources:

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

• Health & Safety:

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

NIWAS SPINNING MILLS LIMITED

• **Cautionary Statement:**

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

5. NUMBER OF MEETINGS OF THE BOARD:

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

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

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

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

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

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

Re-appointment of Managing Director:

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

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

Directors retiring by rotation:

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

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

Appointment and Resignation of Directors:

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

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

9. INTERNAL CONTROLS SYSTEM AND THE ADEQUACY:

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

10. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

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

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

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

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

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

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

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

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

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

14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

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

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

15. SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANY

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

16. RISK MANAGEMENT POLICY:

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

addressed through mitigating actions on a continuing basis.

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

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

18. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:

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

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

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

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

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

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

22. PUBLIC DEPOSITS:

The Company has not raised any deposits from the public.

23. AUDITORS:

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

NIWAS SPINNING MILLS LIMITED

panies Act, 2013, they would not be eligible to be re-appointed. Your Company proposes to appoint M/s. R. K. Patni & Co., Chartered Accountants, Navi Mumbai (FRN: 131257W), as the Statutory Auditors for a period of 5 years from the conclusion of 33rd Annual General Meeting until the conclusion of 38th Annual General Meeting. The Audit Committee and the Board had received the consent and eligibility certificate from M/s.R.K.Patni & Co., Chartered Accountants, pursuant to section 141 of the Companies Act, 2013. The Audit Committee has approved their appointment and have recommended their appointment to the members of the Company. The resolution recommending their appointment is being placed before the shareholders in the ensuing Annual General Meeting.

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 05-04-2016, 30-07-2016, 29-10-2016 & 30-01-2017 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 on 22/06/2016, 30/07/2016, 29/10/2016 and 30/01/2017 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, 2017 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:

b) CONSERVATION OF ENERGY FORM		Current Year	Previous Year
a) POWER & FUEL CONSUMPTION			
i) ELECTRICITY			
101 Purchased (Unit)		6,01,840	5,15,346
Total Amount		24,24,795	20,70,399
Rate (Unit)		Rs.11.23	Rs.12.97
102 OWN GENERATION			
102a Through Diesel		Nil	Nil
102b Other			
102b1 Diesel Pw. Tr. CX			
102b2 Gas / Fuel			
102c Through Biom		Nil	Nil
102d Other			
102d1 Diesel Pw. Tr. CX			
102d2 Gas / Fuel			
102d3 Other		Nil	Nil
103 COAL Specific Gravity & calorific			
Quality			
Total Cost			
Average Rate		Nil	Nil
2 FURNACE OIL			
Quantity			
Total Cost			
Average Rate		Nil	Nil
3 OTHER OPERATORS			
Quantity			
Total Cost			
Average Rate		Nil	Nil
b) CONSUMPTION PER UNIT OF PRODUCT (AS STANDARD IF ANY)			
Product/Unit & Tonnes		0.24 Kg	0.19 Kg
Electricity		5,67,541 Units	5,15,346 Units
Furnace Oil			
Coal			
Other			
c) OTHER INFORMATION ABOUT TECHNOLOGY ADOPTION &			
i) Technology Absorption : Technology absorption and R & D efforts are not applicable to the Company			
ii) Foreign Exchange Earnings and Outgo			
1 Foreign Exchange Used			
Value of Direct Import (in US\$)			
Capital goods, Spare & Equip			Rs. Nil
Traveling Expenses			Rs. Nil
2 Earnings in Foreign Exchange			
1) Direct Export			Rs. Nil
2) Indirect Export			Rs. Nil

31. 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:

- In the preparation of the annual financial statements for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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;
- 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;
- The directors have prepared the annual accounts on a going concern basis; and
- 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.
- 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.

32. 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 is annexed and form part of the Annual Report.

33. INSURANCE:

The Company has taken adequate insurance cover for the assets.

34. 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.

For & on behalf of the Board,
(V. R. Jaju)
Managing Director
DIN : 00081475

PLACE : SOLAPUR
DATE : 01.09.2017

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 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 Key Managerial Person, Senior Management shall be approved by the Committee on case to case basis.

The increments to the existing remuneration structure:

- In relation to Board of Directors shall be based on the evaluation of performance.
- 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.
- 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 meetings.

For NIWAS SPINNING MILLS LTD.
(V. R. Jaju)
Managing Director
DIN : 00081475

NIWAS SPINNING MILLS LIMITED

Annexure 2

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 2016-17;
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	---	---

*Excluding perquisites agg. to Rs. 72,263/-

- i. Percentage increase in remuneration of each whole time director, Chief Financial Officer and the Company Secretary of the Company, during the financial year 2016-17.
- There is no increase in remuneration of Managing Director
- ii. 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.
- iii. Number of permanent employees on the rolls of the Company; - Approx. 40
- iv. 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
- v. Key parameters for any variable component of remuneration availed by the directors; - Not Applicable
- vi. Affirmation the remuneration is as per the remuneration policy of the Company: Yes.

FOR NIWAS SPINNING MILLS LTD
(V. R. Jaju)
Managing Director
DIN : 00081475

ANNEXURE 3 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	Spinoma 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	Repayment received towards advance	Reimbursement of Bank Interest
Duration of the contracts / arrangements / transactions	01/04/2016 to 31/03/2017	01/04/2016 to 31/03/2017	01/04/2016 to 31/03/2017
Salient terms of the contracts or arrangements or transactions including the value, if any	Rs. in Lacs 0.83	Rs. in Lacs -27.76	Rs. in Lacs 13.3
Date(s) of approval by the Board, if any	--	--	--
Amount paid as advances, if any	Nil	Nil	Nil

For NIWAS SPINNING MILLS LTD
(V. R. Jaju)
Managing Director
DIN : 00081475

SECRETARIAL AUDIT REPORT

Form No. MR-3

[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, 2017

**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, 2017 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, 2017 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, 2015;

- 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;
- f. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015.

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.

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 and 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 as per Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.
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

NIWAS SPINNING MILLS LIMITED

Chief Financial Officer And Company secretary.

7. The Company has not filed Form ADT-1 during the year under review.
8. The Company has not complied with certain provision of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 for the year 2016-2017 with respect to Corporate Governance.
9. The Company has not filed MGT 15.
10. 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.

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,
Practising Company Secretaries

Date : 30.08.2017
Place : Mumbai

Sd/-
Suhas Ganpule,
Proprietor,
Membership No: 12122
C. P No: 5722

Annexure A

To,
The Members,
Niwas Spinning Mills Limited.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For SG & Associates
Sd/-

(Suhas S. Ganpule)
Practising Company Secretary
Proprietor

Membership No. 12122 /CP No. 5722
Date: 30.08.2017
Place: Mumbai

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2017

(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
	1. Public Company
	2. Private 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	<input type="checkbox"/>
8. Unlimited Company	
9. Company having share capital	<input type="checkbox"/>
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 Mangelwar Bldg Chaiti Galli, Solapur
Town / City	Solapur
State	Maharashtra
Telephone (with STD Area Code Number)	0217-2328650
Pin Code	413002
Fax Number	0217-2326712
E-mail address	niwas_mill@rediffmail.com
Web Site	There is no website. Preparation of website is under process.

Name of Registrar & Transfer Agents:

Address	Unit no. 9, Shiv Shakti Industrial Estate, J. R. Boricha marg, Opp. Kasturba Hospital Lane, Lower Parel (E).
Town / City	Mumbai
District	Mumbai
State	Maharashtra
Telephone (with STD Area Code Number)	022-23016761 / 8261
Pin Code	400 011
Fax Number	022-23012517
E-mail address	basicomp@vsnl.com

vi) Whether Shares Listed On Recognized Stock Exchange(s)	Yes
Name of the Stock Exchange(s)	1) BSE Ltd. 2) Pune Stock Exchange Ltd. 3) Ahmedabad Stock Exchange
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Purva Sharegistry (India) Pvt. Ltd.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Spinning, weaving and finishing of textiles	1711	100%

The Company is engaged in textile Division and 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.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
-	-	-	-	-	-

NIWAS SPINNING MILLS LIMITED

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individuals	-	5581150	5581150	39.61	-	5581150	5581150	39.61	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other (Directors)	-	325527	325527	2.31	-	325527	325527	2.31	-
Sub-total (A) (1) -	-	5906677	5906677	41.92	-	5906677	5906677	41.92	-
(2) Foreign									
a) NRIs - Individuals	-	1452500	1452500	10.31	-	1452500	1452500	10.31	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2) -	-	1452500	1452500	10.31	-	1452500	1452500	10.31	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	7359177	7359177	52.23	-	7359177	7359177	52.23	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	62200	62200	0.44	-	62200	62200	0.44	-
b) Banks / FI	-	673900	673900	4.78	-	673900	673900	4.78	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1) -	-	736100	736100	5.22	-	736100	736100	5.22	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	1139987	1139987	8.09	-	1139987	1139987	8.09	-
ii) Overseas	-	-	-	-	-	-	-	-	-
ii) Individuals	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	3872432	3872432	27.49	-	3872432	3872432	27.49	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
-	-	975697	975697	6.93	-	975697	975697	6.93	-
c) Others - NRI	-	6000	6000	0.04	-	6000	6000	0.04	-
iii) Non Resident Indians	-	-	-	-	-	-	-	-	-
iv) Non Resident Indians (-	-	-	-	-	-	-	-	-
iii) Clearing Member	-	-	-	-	-	-	-	-	-
Sub-total (B)(2) -	-	5994116	5994116	42.54	-	5994116	5994116	42.54	-
Total Public Shareholding	-	6730216	6730216	47.77	-	6730216	6730216	47.77	-
C. Shares held by									
Eurodan for GDRs & ADRs									
Grand Total (A+B+C)	-	14089393	14089393	100.00	-	14089393	14089393	100.00	-

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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	NIL	330	0	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	Prili J. Jaju	10000	0.07	NIL	10000	0.07	NIL	0
11	Ramkumar 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	NIL	300	0	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 Biria	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	1.2	NIL	168675	1.2	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 D Biria	3800	0.03	NIL	3800	0.03	NIL	0
41	Itaj 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 SEBI Regulations, 2011

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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):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Change in the Shareholding (No. of Shares)		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Increase / Decrease (No. of shares)	Reason	No. of shares	% of total shares of the company
1.	IA Capital Services	596000	4.33	—	—	596000	4.33
2.	Asiatic E. Agents	250000	1.77	—	—	250000	1.77
3.	Punjab & Sind Bank	198800	1.43	—	—	198800	1.43
4.	State Bank of India	124300	0.89	—	—	124300	0.89
5.	Stock Holding Corp of India Ltd	122150	0.87	—	—	122150	0.87
6.	Indus Kumar Bagn	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	59000	0.43	—	—	59000	0.43
10.	Mahendra Gedhwal	71550	0.51	—	—	71550	0.51

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Designation	Shareholding at the beginning of the year		Date	Increase / Decrease in Shareholding	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.	V. R. Jagu	Managing Director	32425	0.23	—	—	—	32425	0.23
2.	A. V. Sahu	Director	330	0	—	—	—	330	0

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

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

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

vi) Indebtness:

Indebtedness of the Company including interest outstanding / accrued but not due for payment :				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtness at the beginning of the financial year	4,50,38,649	1,51,16,479	—	6,01,55,128
i) Principal Amount	—	—	—	—
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	4,50,38,649	1,51,16,479	—	6,01,55,128
Change in Indebtness during the financial year				
Addition				
Reduction				
Net Change	-61,77,017	-8,15,384	—	-69,92,401
Indebtness at the end of the financial year	3,88,61,632	1,43,01,095	—	5,31,62,727
i) Principal Amount	—	—	—	—
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	3,88,61,632	1,43,01,095	—	5,31,62,727

Sl. No.	Particulars of Remuneration	Mr. V. R. Jagu - Managing Director	Total Amount
1.	Gross Salary		
	(a) Salary as per provision contained in section 1(1) of the Income-tax Act, 1961	Rs. 1,00,000/-	Rs. 1,00,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Rs. 72,500/-	Rs. 72,500/-
	(c) Profits in lieu of salary u/s section 17(3) Income-tax Act, 1961		
		Rs. 72,500/-	Rs. 72,500/-
		NIL	NIL
2.	Stock Option	NIL	NIL
3.	Dividend	NIL	NIL
4.	Commission	NIL	NIL
	- as % of profit		
	- other, specify		
5.	Others, please specify	NIL	NIL
6.	Total(A)	Rs. 1,72,500/-	Rs. 1,72,500/-
	Costing as per the Act - Maximum Remuneration as per Sec. V	Rs. 00,00,000/-	Rs. 00,00,000/-

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

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 31.03.2017, the Board consisted of One Executive Director, Two Non-Executive Directors. Thus, the Board comprises of Executive and Non Executive Directors.
- 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)	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 :

- 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. 30.04.2016, 30.05.2016, 30.07.2016, 29.10.2016 & 30.01.2017 and all Directors were present at all the Meetings

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The attendance at the Board Meetings and the Last Annual General Meeting (30/09/2016) 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

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:

- 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 05/04/2016, 30/07/2016, 29/10/2016 and 30/01/2017 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:

- 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.
- 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.
- Approval of payment to statutory auditor for any other services rendered by the statutory auditors.

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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) & 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.

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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, 2017 are as follows:

Name of the Directors	Salary & perquisites	Sitting Fees	Commission	Total	No. of Shares held
Vijay Jaju	372363	NIL	NIL	372363	32425

c. During the Year under review, the Nomination and Remuneration Committee met 4 (Four) times on 22/06/2016, 30/07/2016, 29/10/2016 and 30/01/2017 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 1 (One) time on 05-01-2017 at which all the members of the Committee were present.

- c. Mr. V. R. Jaju, of the Company is the Compliance Officer.
- d. No. of Shareholders complaints received-05
- e. No. of Complaints solved to the satisfaction of shareholders - 05
- 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
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
2015-2016	30/09/2016	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.

NIWAS SPINNING MILLS LIMITED

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 & Time	29th September, 2017 at 10.00 a.m.
ii. Venue	B-2/2, MIDC, Akkalkot Road, Solapur-413006
iii. Financial Year	1st April 2016 to 31st March 2017
iv. Book Closure Date	22.09.2017 to 29.09.2017 (Both days inclusive)
v. Dividend Payment Date	Not applicable
vi. Listing on Stock Exchange	BSE Ltd Phiroza Jejeebhoy Towers, Dalal Street, Mumbai - 400 001
vii. Stock Code	BSE Ltd - 521009
viii. Payment of Listing Fees	BSE - Paid upto Financial Year 2012-13
ix. ISIN	N.A.
x. Market Price Data High, Low during each month in last Financial	The Company is suspended due to special reasons and Hence Market Price Data: High, Low during each month in last Financial Year cannot be obtained.
xi. Registrar & Transfer Agents	M/s. Purva Share Registry (India) Pvt. Ltd. Unit no. 9, Shiv Shakti Industrial Estate, J.R. Boricha marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai-400011.
xii. Share Transfer System	Share transfer in physical form can be lodged with M/s. Purva Share Registry (India) Pvt. Ltd., at the above mentioned address.

xii) Distribution of Shareholding as on 31st March, 2017

Category	No. of Shareholders	No. of Shares	% of total Shares
Upto 5000	10724	4201996	29.82
5001 to 10000	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	10835	14089393	100

Categories of Shareholders as on 31st March, 2017.

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	8.09
Nationalised Banks	673900	6739000	4.78
Foreign Holdings (NRI)	6000	60000	0.04
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

Unit 1	Unit 2
B-2/2, MIDC, Akkalkot Road Solapur-413006	A5 & A8, MIDC, Chincholi Solapur-413255

Address for

Correspondence: **Registered Office:**

406/A, West Mangalwar Peth, Chati Galli, Solapur- 413002

RTA's Address:

M/s. Purva Share Registry (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:

Name of Director	V. R. Jaju	Aditya Vijaykumar Jaju	Shri Mitesh Daga
Name of Company in which already director	Nivas Syntex Pvt Ltd	Nil	Masterspin Export Limited
Designation / Membership of Board / Committee	Director	N.A	Director

NIWAS SPINNING MILLS LIMITED

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

Name	V. R. Jaju	Aditya Vijaykumar Jaju	Shri Mitesh Daga
Age	57 years	28 years	41 years
Date of Appointment	19/04/1984	25/08/2009	01/09/2017
Experience	37 years	08 years	30 Years
Qualification	B.Com.	B.Com.	B.Com.
Membership/Chairman of Committees of the other Companies	Nil	Nil	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 31.03.2017.

For NIWAS SPINNING MILLS LTD
For & on behalf of the Board

Place : Solapur
Date : 01.09.2017

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 31st March, 2017 as stipulated in SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with the Stock Exchanges.

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 some of the conditions of Corporate Governance as stipulated in SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015. However, being a Sick industry, the Company is under process of being complied with certain conditions of listing agreement.

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 Shareholders/ Investors' Grievances 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.

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

Place : Camp-Solapur
Date : 30-05-2017

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

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

I, V. R. Jaju, Managing Director of Niwas Spinning Mills Limited, hereby declare that all the Directors on the Board of the Company 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 SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the Stock Exchanges, for the Year ended 31.03.2017.

For **NIWAS SPINNING MILLS LIMITED,**

Place : Solapur

Date : 30-05-2017

V. R. Jaju

Managing Director

DIN : 00081475

INDEPENDENT AUDITORS REPORT TO

**THE BOARD OF DIRECTORS OF
M/S NIWAS SPINNING MILLS LIMITED**

1. We have audited the accompanying Statement of Standalone Financial Result of M/s NIWAS SPINNING MILLS LIMITED ("the Company") for the year ended 31st March, 2017 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors has been prepared on the basis of related financial statements which are in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement. An audit includes examining on a test basis, evidence supporting amounts disclosed in the Statement.

An audit also includes evaluating the appropriateness of the accounting policies used and reasonableness of the significant accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

2. In our opinion and to the best of our information and according to the explanations given to us, the Statement;
 - i. is presented in accordance with the Regulations 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
 - ii. gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India, of the net loss and other Financial Information of the Company for the year ended 31st March, 2017.
3. The Statement includes the results for the Quarter ended 31st March, 2017 being the balancing figure between audited figures in respect of full financial year and the published year to date figure up to the third quarter of the current financial year which were subject to limited review by us.

For B. M. Gattani & Co.
Chartered Accountants

FRN : 113536W

Sd/-

B. M. Gattani
Proprietor

Mem. No. 47066

Place : Camp - Solapur

Date : 30-05-2017

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, 2017, 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 2017, 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, 2016 ("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:

NIWAS SPINNING MILLS LIMITED

- 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, 2017, and taken on record by the Board of Directors. None of the directors is disqualified as on March 31, 2017, 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.
 - iv. The Company has provided requisite disclosures in the financial statements regards its holding and dealing in specified Bank Notes as defined in the Notification S.O. 3407 (E) dated 8th November 2016, of the Ministry of Finance during the period from 8th November 2016 to 30 December 2016. Based on audit procedures performed

and the representation provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the managements.

Place : Camp-Solapur

Date : 30-05-2017

For B M Gattani & Co

Chartered Accountants

Firm Registration No 113536W

Balmukund N Gattani

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, 2017 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. The Company has not disposed-off substantial / major part of fixed assets during the year, except absolute/scrap asset of Rs. 20 Lacs.
- c. The title deeds of immovable properties are held in the name of company.
2. 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. 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. 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

NIWAS SPINNING MILLS LIMITED

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, granted to companies, firms or other parties covered in the register maintained u/s. 189 of the Companies Act, 2013.

- The terms and conditions of grant of loan are not prejudicial to company's interest.
- The repayment of principal amounts and interest during the year has been as per stipulation.
- There are overdue amounts of more than Rs. 100,000/- outstanding at the year-end and the reasonable steps have been taken by the company for recovery of the principal & interest.

4. The provisions of section 185 and 186 of The Companies Act, 2013 are complied with in respect of loans, investments, guarantees and security and the company has not provided loan to directors.

5. The directives issued by Reserve Bank of India and the provisions of section 73 to 76 Companies Act, 2013 and the rules framed there under are not applicable and no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

6. The Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

7. a. 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. 4.17 Lacs towards contribution to P.F. not made and has been in arrear for more than six months from the date it became payable.

Name of the statutory dues	Nature of the dues	Amount (In. Rs.)	Period to which amount relates	Due Date	Date of Payment
Provident Fund	Provident fund	4,17,295	2015-16/2016-17	—	—
TDS	TDS	600	2016-17	—	—
TDS	TDS	3,500	2016-17	—	—
TDS	TDS	2,414	2016-17	—	—
TDS	TDS	1,046	2016-17	—	—
CSI	CSI	53,300	2016-17	21/04/2017	—
MYAT	VAT	1,35,250	2016-17	21/04/2017	—

- b. According to the records of the Company and information and explanations given to us, disputed Excise Duty demands aggregating to Rs. 11.82 Lacs, matter under sub-judice and pending before Appellate Tribunal. Also there is a disputed Income Tax dues for the Assessment Year 1995-96 demands aggregating to Rs.10.16 lacs out of which Rs 9.35 lacs have been deposited / adjusted and the balance is still required to be paid.

Name of the statute	Nature of dues	Amount (In. Rs)	Period to which amount relates	Forums where dispute is pending
Excise Duty	Excise Duty	11,82,000	1995-1996	Appellate Tribunal
Income Tax	Income Tax	2,69,948	1995-1996	IT.O. - For rectification of payments / adjusted amounts, letter submitted
Income Tax	Income Tax	8,480	2016-2017	CPC- Rectification submitted.

8. 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.

Particulars	Amount of default as at the balance sheet date (Rupees in Rs)	Period of default	Remarks, if any.
Name of the lenders			
1) ARCL	3,42,00,000	2015-2016	Selwyns under process
2) ARCL	19,44,603	—	—
3) KILOSKAR INVESTMENT & FINANCE LTD.	27,17,029	—	Company under liquidation.

9. According to the information and explanations given to us, 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.

10. 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.

11. According to the information and explanations given to us and the basis of our examinations of relevant records, the Company has paid or provided managerial remuneration in

NIWAS SPINNING MILLS LIMITED

accordance with requisite approvals made by the provisions of section 197 read with Schedule V to the Act, NIL.

12. The provisions of any Special Statute applicable to Nidhi Company are not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of records of the Company, the transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the accounting standards.

Nature of the related party relationship	Nature of Transactions	Amount involved
1) A.V. Jaju	Financial charges	83524/-
	Loan Receipt	3,20,000/-
	Loan Repayment	18,63,408/-
2) Neeta Textiles	Financial Charges	13,50,006/-
3) V.R. Jaju	Director Allowance	72,363/-
	Directors Remuneration	3,00,000/-

14. The Company has not made any preferential allotment to parties and companies covered under register maintained under section 42 of the Companies Act, 2013 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.
15. According to the information and explanations given to us and based on our examination of records of the Company, the company has not entered into non cash transactions with directors or any person connected with him.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For B. M. Gattani & Co.
Chartered Accountants
Firm Reg. No. 113536W
(B. M. Gattani)
Proprietor
Mem. No. 47066

Place : Camp - Solapur
Date : 30-05-2017

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, 2017 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

NIWAS SPINNING MILLS LIMITED

operating effectively as at March 31, 2017, 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.

For B. M. Gattani & Co.
Chartered Accountants
Firm Reg. No. 113536W
(B. M. Gattani)
Proprietor
Mem. No. 47066

Place : Camp - Solapur
Date : 30-05-2017

NIWAS SPINNING MILLS LIMITED

NIWAS SPINNING MILLS LIMITED

CIN - L17110PN1984PLC032702

Balance Sheet as at 31st March, 2017

Particulars	Note No.	AS ON 31.03.2017 (Amt. in Rs.)	AS ON 31.03.2016 (Amt. in Rs.)
I. EQUITY AND LIABILITIES			
(I) Shareholder's Funds			
(a) Share Capital	2	14,08,93,930	14,08,93,930
(b) Reserves and Surplus	3	-21,56,43,982	-22,85,22,236
(II) Non-Current Liabilities			
(a) Long Term Borrowings	4	3,86,61,632	4,50,38,649
(b) Long Term Provision	5	9,45,803	9,45,457
(III) Current Liabilities			
(a) Short Term Borrowings	6	1,43,01,095	1,51,15,479
(b) Trade Payable	7	10,13,47,368	9,32,74,993
(c) Short Term Provision	8	58,25,931	86,32,386
Total		6,60,21,513	7,55,79,880
II. ASSETS			
(I) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	3,61,70,875	4,08,35,895
(ii) Investments	10	18,000	18,000
(II) Current Assets			
(a) Inventories	11	25,34,411	32,83,386
(b) Trade Receivable	12	31,70,882	17,17,390
(c) Cash and Cash Equivalents	13	1,15,684	2,53,884
(d) Short Term Loans and Advances	14	2,36,34,925	2,32,69,064
Total		6,65,21,577	7,55,79,880

Significant Accounting Policies

Accompanying notes to accounts

In terms of our report of even date attached.

For M GATTANI & CO

For & on behalf of the board of directors

CHARTERED ACCOUNTANTS

Firm Reg. No. 113356W

M GATTANI

PROFESSOR

MC No. 47066

PLACE - CAMPOLAPUR

DATE: 30-05-2017

A. V. Jaju

Director

DIN: 02625781

V. K. Jaju

Managing Director

DIN: 00081475

Note : 2 Share Capital

(Amt. in Rs.)

Particulars	F.Y.-2016-17	F.Y.-2015-16
AUTHORIZED CAPITAL		
2500000 Equity Shares of Rs. 10/- each	25,00,00,000	25,00,00,000
	25,00,00,000	25,00,00,000
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
14,08,93,930 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.-2016-17	F.Y.-2015-16
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 31.03.2016 & 31.03.2017.

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

NIWAS SPINNING MILLS LIMITED

CIN - L17110PN1984PLC032702

Statement of Profit and Loss for the year ended 31st March, 2017

Particulars	Note	F.Y. 2016-17	F.Y. 2015-16
A. CONTINUOUS OPERATIONS			
I. Revenue from Operations	15	6,35,23,980	5,09,26,928
II. Other Income	16	30,93,681	13,72,620
III. Total Revenue (I + II)		6,66,17,661	5,22,99,548
IV. Expenses:			
Cost of Raw Materials Consumed	17	3,01,75,507	4,84,70,949
Changes in inventories of FG, WIP & Trade Stock			
Manufacturing Expenses	18	1,02,77,888	1,08,61,239
COS Re-schedulement		44,26,620	-
Financial costs	19	15,96,275	45,02,947
Depreciation and Amortization Expense	20	60,10,645	68,45,514
Administrative Expenses	21	12,32,480	14,47,926
Total Expenses		7,37,19,400	7,19,22,571
V. Profit before exceptional & extraordinary items		-71,21,738	-1,96,53,023
VI. Extraordinary Items			
VII. Profit before extraordinary items & tax (V-VI)		-71,21,738	-1,96,53,023
VIII. Extraordinary Items			
IX. Profit before Tax (VII-VIII)		-71,21,738	-1,96,53,023
X. Tax Expense:			
(i) Current Tax			
(ii) Income Tax			
(iii) Deferred Tax			
XI. Profit/(Loss) from the period from continuing		-71,21,738	-1,96,53,023
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			
C. TOTAL OPERATIONS			
XV. Profit/(Loss) for the period (XI + XIV)		-71,21,738	5,36,88,456
Earnings Per Equity Share		-0.5	3.81
(Nominal value of Rs. 10/- each)		-0.5	3.81
a. Basic			
b. Diluted	22		

Significant Accounting Policies

Accompanying notes to accounts

In terms of our report of even date attached.

For M GATTANI & CO

CHARTERED ACCOUNTANTS

Firm Reg. No. 113356W

M GATTANI

PROFESSOR

MC No. 47066

PLACE - CAMPOLAPUR

A. V. Jaju

Director

DIN: 02625781

V. K. Jaju

Managing Director

DIN: 00081475

Note : 3 Reserve & Surplus

Sr.	Particulars	F.Y.-2016-17	F.Y.-2015-16
1	Capital Reserve - Opening balance	2,62,22,030	2,62,22,030
	Add:- For the year	-	-
		2,62,22,030	2,62,22,030
2	Securities Premium Reserve (including Forfeiture)		
	Opening balance	23,17,18,150	23,17,18,150
	Add:- For the Year	-	-
		23,17,18,150	23,17,18,150
3	General Reserve - Opening balance	82,78,946	82,78,946
	Add:- For the year	-	-
		82,78,946	82,78,946
4	Profit & Loss Account		
	Surplus - Opening Balance	-49,47,41,362	-54,81,29,818
	Add: After Waiver Settlement	-71,21,748	5,36,88,456
	Balance in Profit & Loss (A-B)	-50,18,63,108	-49,47,41,362
	Total	-23,56,43,982	-22,85,22,236

NIWAS SPINNING MILLS LIMITED

Note : 4 Long Term Borrowings

Sr. No.	Particulars	F.Y.-2016-17	F.Y.-2015-16
SECURED			
1	(a) Term Loan from ARCL (SIICOM)	3,42,00,000	3,42,00,000
	(b) Interest Provision	---	---
2	Fixed Purchase Machinery - Kishore Inr & Fin Ltd.	27,17,029	27,17,029
3	Working Capital - Secured by C/C & Book Debit	---	---
	*A) ARCL (BOB)	10,44,603	81,21,820
	(Personal guarantee of Chairman & Mg. Director)	---	---
	(Please refer to a & b of Note No. 2D)	---	---
	Total	3,69,61,632	4,50,38,849

Note : 5 Long Term Provisions

Sr. No.	Particulars	F.Y.-2016-17	F.Y.-2015-16
1	Provision for Employee Benefit	9,45,803	9,45,437
		4,45,803	9,45,437

Note : 6 Short Term Borrowings

Sr. No.	Particulars	F.Y.-2016-17	F.Y.-2015-16
1	Loan taken from Promoter / Director	1,06,73,281	1,16,21,295
2	Loan taken from Others	38,27,714	36,95,214
		1,45,01,095	1,53,16,509

Note : 7 Trade Payables

Sr. No.	Particulars	F.Y.-2016-17	F.Y.-2015-16
1	Trade Payable	10,13,37,168	9,32,74,995
	These are not available for verification disclosed from Micro & Small enterprises.	---	---
		10,13,37,168	9,32,74,995

Note : 8 Short Term Provisions

Sr. No.	Particulars	F.Y.-2016-17	F.Y.-2015-16
1	Advance from Customers & Other Payable	28,81,549	44,22,257
2	Provision For Expenses	28,22,199	30,75,330
3	Provision for Fee	86,180	86,045
4	TDS Payable	1,08,965	1,86,954
	Total	58,98,993	86,91,586

Note : 10 Investments

Sr. No.	Particulars	F.Y.-2016-17	F.Y.-2015-16
1	Long Term - At Cost	---	---
	Share of Vivas Sahakar Bank Ltd - Unquoted	---	---
	(20 Non Equity Shares of Rs. 25/- each)	900	500
	Share of Nishant Co-op Bank Ltd - Unquoted	5,800	3,000
	(200 Equity Shares of Lakshmi Co-op Ltd - Quoted)	12,500	12,500
	(Market Price as on 31.03.17 Rs. 25.25 per Share)	---	---
	Total	19,200	16,000

Note : 11 Inventories

Sr. No.	Particulars	F.Y.-2016-17	F.Y.-2015-16
1	Raw Materials	35,16,411	52,83,386
2	Finished Goods	---	---
	Total	35,16,411	52,83,386

Note : 12 Trade Receivables

Sr. No.	Particulars	F.Y.-2016-17	F.Y.-2015-16
1	Secured considered good	---	---
2	Unsecured considered good	31,70,492	37,17,590
3	Unsecured considered doubtful	---	---
	Total	31,70,492	37,17,590

Note : 13 Cash & Cash Equivalent

Sr. No.	Particulars	F.Y.-2016-17	F.Y.-2015-16
1	Balance with Bank & Margin Account	13,053	16,229
2	Cash on Hand	97,831	2,37,865
	Total	1,10,884	2,54,094

Note : 14 Short Term Loans and Advances

Sr. No.	Particulars	F.Y.-2016-17	F.Y.-2015-16
1	Balance with Public Bodies	7,03,851	7,03,851
2	Dt. Bal of Cr/Other Adv.	2,63,80,822	1,94,47,403
3	Balance with Tax Authorities (VAT, I.T. TDS)	24,50,452	31,17,810
	Total	2,95,34,925	2,32,69,064

Note : 9 Fixed Assets (Tangible Assets)

Sr. No.	Particulars	Rate	Gross Block			Depreciation			WDV as on 31.03.2017	WDV as on 31.03.2016
			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	17927771	---	---	17927771	596505	15625	---	612130
2	Factory Buildings	10	50241761	---	---	50241761	44810712	543105	---	45353817
3	Admin. Office Building	5	3726342	---	---	3726342	2908859	40874	---	2949733
4	Plant & Machinery	15.33	774494959	1889900	4285142	777099697	741158627	5400129	3740857	742817949
5	Furniture & Fixture	18.1	1316123	---	---	1316123	1301490	2649	---	1304139
6	Vehicles	25.83	20428	---	---	20428	20359	17	---	20376
7	Office Equipment	15	574916	---	---	574916	543586	4705	---	548251
8	Computer & Fax	40	726340	---	---	726340	717611	3491	---	721102
	TOTAL		839072592	1889900	4285142	830498372	7894469991	6010645	3740857	794327497
										36170875
										40835905

NIWAS SPINNING MILLS LIMITED

Note : 15 Income from Operations

Sr. No	Particulars	F.Y.-2016-17	F.Y.-2015-16
	Revenue from Operations		
	Sale of Products		
1	Finished Goods	3,42,66,870	1,68,42,033
2	Traded Goods	2,92,57,910	3,40,84,893
	Total	6,35,23,980	5,09,26,926

Note : 16 Other Income

Sr. No	Particulars	F.Y.-2016-17	F.Y.-2015-16
1	Interest Income	50,446	76,893
2	Dividend	1,000	1,000
3	Misc Income	7,41,500	79,776
4	Scrap absolute asset	—	—
5	Commission	8,25,000	—
6	Profit on sale of asset	14,55,715	12,15,841
	Total	30,73,661	13,72,620

Note : 17 Cost of Material Consumed

Sr. No	Particulars	F.Y.-2016-17	F.Y.-2015-16
1	Opening Stock of Raw Material	52,83,366	86,49,438
	Add : Purchases	4,84,08,552	4,49,08,897
		5,36,93,918	5,37,58,335
	Less : Closing Stock	35,16,411	52,83,366
	Total	5,01,77,507	4,84,74,949

Note : 18 Manufacturing Expenses

Sr. No	Particulars	F.Y.-2016-17	F.Y.-2015-16
1	Maintenance & Repairs	3,85,289	5,43,564
2	Power & Water	77,69,837	68,96,604
3	Transportation of Raw Material	2,28,600	1,95,100
4	Processing Charges	1,62,996	3,53,610
5	Vat Set-off Reduction	9,025	4,33,825
6	Employee Benefit Expenses		
a	Salaries & Wages	18,34,398	15,97,544
b	Gratuity	19,360	22,465
c	Contribution to EPF	64,829	87,830
d	Contribution to ESIC	22,980	22,093
e	Compensatory Allowance	14,800	8,400
7	Sales & Distribution Expenses		
a	Packing Material Consumed	1,72,835	1,46,199
b	Forwarding & Octroi	1,72,688	33,425
c	Commission, Brokerage & Discount	79,391	1,19,346
d	Vehicle Expenses	2,41,646	5,09,434
	Total	1,03,77,860	1,08,81,259

Note : 19 Financial Cost

Sr. No	Particulars	F.Y.-2016-17	F.Y.-2015-16
1	Interest Expenses	15,84,447	6,70,054
2	Bank Charges	31,838	7,893
	Total	15,96,275	6,77,947

Note : 20 Depreciation & Amortised Cost

Sr. No	Particulars	F.Y.-2016-17	F.Y.-2015-16
1	Depreciation	68,10,645	68,45,510
	Total	68,10,645	68,45,510

Note : 21 Administrative & Other Expenses

Sr. No	Particulars	F.Y.-2016-17	F.Y.-2015-16
1	Audit Fees : a. Statutory Audit	24,150	24,045
	b. Cost Audit	22,000	22,000
2	Filing Fees	1,200	—
3	General Expenses - Donation	5,000	—
4	Insurance Charges	44,851	1,03,168
5	Legal & Professional Fees	2,54,550	3,94,811
6	Postage & Telegraph Exp.	44,415	59,307
7	Printing & Stationery Exp.	15,053	34,759
8	Rent & Taxes	1,21,764	24,098
9	Telephone & Internet Expenses	1,01,059	1,06,960
10	Travelling Expenses	1,65,216	1,80,780
11	Director Remuneration & Allowance	3,75,363	3,69,442
12	Advertisement & Business promotion	8,400	18,135
13	Auditors Expenses	6,560	8,558
14	Office Expenses	44,305	87,701
15	Labor Welfare Fund	1,014	1,668
16	Inspection & License Fees	—	—
17	Building Repairs & Maintenance	280	12,493
	Total	12,32,480	14,47,920

Note : 22 Earnings Per Equity Share

Sr. No	Particulars	F.Y.-2016-17	F.Y.-2015-16
1	Basic	-0.5	3.81
2	Diluted	-0.5	3.81

Significant Accounting Policies

Accompanying notes to accounts

In terms of our report of even date attached

For B M GATEANI & CO
CHARTERED ACCOUNTANTS
Firm Reg. No. 113536W
B M GATEANI
PROPRIETOR
M.No. 47066
PLACE - CAMP SOLAPUR
DATE 30-05-2017

For & on behalf of the board of directors

A. V. Jaju V. R. Jaju
Director Managing Director
DIN 02625781 DIN 00081475

NIWAS SPINNING MILLS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	Amount in (Rs)	
	31/03/2017	31/03/2016
Cash Flow From Operating Activities		
Profit Before Tax	(71,21,746)	(1,96,33,923)
Adjustments For:		
Wages		
Depreciation, Net of Capitalisation	60,79,445	68,45,516
Interest Expense	15,96,275	43,02,947
Other Income	(30,73,681)	(13,73,620)
Operating Profit Before Working Capital Change	45,33,229	97,79,843
Adjustments For Change in:		
Trade payables	80,62,175	81,87,782
Non Current Liabilities	(61,84,194)	(2,07,13,715)
Current Liabilities	(36,14,196)	(6,12,60,843)
Trade Receivables	29,47,108	(16,86,254)
Inventories	(7,66,476)	35,66,053
Short Term Loans & Advances	(2,65,861)	4,32,571
Cash Generated From Operations	68,44,946	(7,00,94,573)
Net Cash Flow From Operating Activities (A)	(2,76,880)	(8,02,51,637)
Purchase of Fixed Assets	(18,89,900)	(3,69,300)
Sale of Investment	-	-
Sale of Fixed Assets	5,44,284	7,83,34,969
Other Income	30,73,681	(3,73,620)
Net Cash Flow Used in Investing Activities (B)	17,18,065	7,66,38,230
Reduction in Reserve & Surplus	-	-
Interest paid	(15,96,275)	(43,02,947)
Net Cash Flow From financing Activities (C)	(15,96,275)	(43,02,947)
Net Cash Inflow/Outflow (A+B+C)	(1,45,010)	(79,18,304)
Opening Cash & Cash Equivalents	2,65,894	81,72,106
Closing Cash & Cash Equivalents	1,10,884	2,53,804
Net Increase/Decrease in Cash & Cash Equivalents	1,45,010	79,18,304

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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.

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.
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 & 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

NIWAS SPINNING MILLS LIMITED

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.

NIWAS SPINNING MILLS LIMITED

- 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. 107.36 Lacs payment during the year including interest / OTS of Rs. 45.59.

5) i) Remuneration to Whole-time Director:

- a. The Computation of net profits for the purpose of calculations of Director remuneration under Section 197 Companies Act 2013 is not enumerated since no commission is paid / payable to the whole time Director.

b. Payment to Directors

S. No.	Particulars	2016-2017 (Rs. in Lacs)	2015-2016 (Rs. in Lacs)
1	Managing Director's Remuneration	3.00	1.00

Payment to Auditors

S. No.	Particulars	2016-2017 (Rs. in Lacs)	2015-2016 (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:

	31/03/2017	31/03/2016
NPBT	(71,21,746)	-19633023
Tax Expenses	--	--
Numerator (A)	(71,21,746)	-19633023
No. of Equity Shares used as denominator (B)	14089393	14089393
Basic / Diluted EPS (A/B)	-0.5	-1.39

- 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, 2017. 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 III Part II of Companies Act, 2013 (as certified by Managing Director)

NIWAS SPINNING MILLS LIMITED

Sr.	Particulars	2016-17	2015-16
A)	Quantitative Information		
i)	Capacity Licensed	70,480 Spindles 100 Looms	70,480 Spindles 100 Looms
ii)	Installed	13,968 Spindles 12 Looms	13,968 Spindles 12 Looms
iii)	Class of Goods Manufactured Cotton Yarn Towel	87,900 Kgs 11,392 Kgs	87,900 Kgs 11,392 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	2016-2017		2015-2016	
		Quantity	Value	Quantity	Value
	Cotton	1,33,771 Kgs	1,53,11,735	1,01,082 Kgs	97,71,508
	Yarn	28,401 Kgs	41,92,874	11,497 Kgs	16,44,739

Vii	Turnover	2016-2017		2015-2016	
	Description	Quantity	Value	Quantity	Value
a.	Cotton Yarn Towel	1,16,360 Kgs 28,401 Kgs	2,04,02,130 1,38,63,940	87,900 Kgs 11,392 Kgs	1,29,10,603 29,20,414
b.	Cotton Waste/Hard Waste/Towel Waste	— Kgs	—	405 Kgs	11,016
c.	Trading activity Towel Yarn Resale	1,47,274 Pcs 43,200 Kgs	2,31,01,910 61,56,000	1,90,757 Pcs 34,800 Kgs	2,88,42,095 52,42,800

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

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

Related Parties	Nature of Transaction	Bal. as on 01/04/2016	Dr.	Cr.	Balance as on 31/03/17	(Rs. In Lacs)
A. V. Jaju	Financial Charges	14.21	18.63	4.04	0.39	
Spinomat Textiles Pvt Ltd	Purchase	53.92	—	27.76	26.16	
Neeta Textiles	Financial Charges	100	12.38	13.5	101.12	
V. R. Jaju	Remuneration	Nil	3.72	3.72	Nil	

For B. M. GATTANI & CO.
Chartered Accountants
Firm Reg. No. 113536W
(B. M. GATTANI)
Proprietor
Mem. No. 47066
CAMP - SOLAPUR
DATE : 30-05-2017

For & On Behalf of Board of Directors

V. R. Jaju
Mg. Director
DIN : 00081475

A. V. Jaju
Director
DIN : 02625781

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	:	31/03/2017

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	:	665.21
Total Assets	:	665.21

Sources of Funds

Paid-up Capital	:	1408.94
Reserves & Surplus	:	(2356.43)
Secured Loans	:	388.54
Unsecured Loans	:	Nil

Application of Funds

Net Fixed Assets	:	361.70
Investments	:	0.18
Net Current Assets	:	(911.39)
Misc. Expenditure	:	Nil
Accumulated Losses	:	(5018.63)

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

Turnover	:	665.97
Total Expenditure	:	737.18
Profit Before Tax	:	(71.21)
Profit After Tax	:	(71.21)
Earnings per Share (Rs.)	:	(0.50)
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