NIWAS SPINNING MILLS LIMITED
CIN – L17110PN1984PLC032702

THIRTY FIFTH ANNUAL REPORT AND ACCOUNTS 2018-2019

BOARD OF DIRECTORS

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

REGISTERED & ADMINISTRATIVE OFFICE
406/A, West Mangalwar Peth, Solapur – 413 002.

FACTORIES
B-2/2,
M.I.D.C.
Solapur – 413 006.

AUDITORS
Jatin Shah
Chartered Accountant
261/263, Dr. D. N. Road
4th Floor
Fort, Mumbai – 400001

BANKERS
Neelkant Co-op Bank Ltd.
Vikas Sahakari Bank Ltd.

REGISTRAR & TRANSFER AGENTS
Purva Sharegistry (India) Pvt Ltd
Unit no. 9, Shiv Shakti Industrial Estate
J R Boricha Marg, Opp Kasturba Hospital Lane
Lower Parel (E), Mumbai - 400 011.

NOTICE

NOTICE is hereby given that the THIRTY FIFTH ANNUAL GENERAL MEETING of the shareholders of NIWAS SPINNING MILLS LIMITED will be held on Monday, the 30th September, 2019 at 10.00 a.m. at B-2/2, M.I.DC., 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 2019 along with the Reports of the Auditors' and Directors' thereon.
2. To appoint Director in place of Mr. Aditya V. Jaju (DIN:0002625781) who retires by rotation and being eligible, offers himself for re-appointment
3. To Appoint M/s ABNJ & Co. (FRN: 121677W), Chartered Accountants, Mumbai as the Statutory Auditor of the Company for a period of 5 (five) years i.e. from the conclusion of 35th AGM till the conclusion of 40th AGM at a remuneration to be determined by the Board of Directors of the Company.

FOR NIWAS SPINNING MILLS LTD.

PLACE : SOLAPUR

DATED : 01/09/2019

(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 Statements pursuant to Section. 102 of the Companies Act, 2013 in respect of Item No. 3 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 23-09-2019 to 30-09-2019 (both days inclusive).
4. Members are requested to intimate any change in their address to the RTA 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 23th August 2019 will receive the Notice of AGM and Annual Report for the Financial Year ended 31st March, 2019.
6. The Members/Proxies/Representatives attending the Meeting are requested to bring their Attendance Slip sent herewith duly filled and signed along with 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 & 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 35th 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 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 35th 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 form 27th September, 2019 (9:00 a.m.) and ends on 29th September, 2019 (5:00 p.m.). During this Period, shareholders holding shares either in physical form or dematerialized form, as on, 23rd September, 2019 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. Monday, 23rd September, 2019 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.

	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.
(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 & click on Forgot Password & enter the details as prompted bythe 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 27th September, 2019 (9:00 a.m.) and ends on 29th September, 2019 (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, 23rd September, 2019 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

(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, 23rd September 2019. 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 35th 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

DATED : 01-09-2019

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 3:

M/s. Jatin Shah, Chartered Accountants, Mumbai (Mem. No. 103858), Statutory Auditors of the Company were appointed at the 34th AGM for a period of 5(five) years i.e. from the conclusion of 34th AGM till the Conclusion of 39th AGM subject to ratification by Members at every AGM. However, M/s. Jatin Shah, Chartered Accountants, Mumbai (Mem. No. 103858) had expressed their unwillingness to act as Statutory Auditors of the Company and had furnished their resignation. Therefore, it was proposed to appoint Mr. Nilesh Mundada (Membership No. 131013),Chartered Accountant, Mumbai as the Statutory Auditor of the Company for a period of 5 (five) years i.e. from the conclusion of 35th AGM till the conclusion of 40h AGM at a remuneration to be determined by the Board of Directors of the Company. Further, M/s ABNJ & Co. (FRN: 121677W),Chartered Accountant, Mumbai had also furnished his consent and eligibility Certificate. Therefore, Your Directors recommend appointment of M/s ABNJ & Co. (FRN: 121677W),Chartered Accountant, Mumbai as the Auditor of the Company.

Pursuant to Section 139 of the Companies Act, 2013 and relevant Rules framed thereunder approval of the Members is being sought by way of an Ordinary Resolution.

None of the Promoters, Directors, Managers, Key Managerial Personnel of the Company and their relatives, either directly or indirectly is in any way concerned or interested, financially or otherwise, in the above Resolution.

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

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 35th Annual Report on the business and operations of the Company and the accounts for the financial year ended March 31st, 2019.

1. FINANCIAL SUMMARY /PERFORMANCE OF THE COMPANY:

The sale during the year under report was *84.94 Lacs*, due to sluggish market and cut throat competition. The company has incurred loss before interest, depreciation, exceptional item & tax against the Profit for the previous year. Your Directors are hopeful of Company's revival and working on taking specific measures to overcome situation.

Financial Highlights : (Amt. in Lacs)

	Current Period 2018-19	Previous Period 2017-18
Sales	**84.94**	159.30
Other Income	**11.05**	104.83
Total Income	**95.99**	264.13
Profit / (Loss) before interest, depreciation, exceptional item & tax	**(55.17)**	(73.94)
Less :		
• Financial Cost	**0.07**	89.48
• Depreciation	**15.85**	21.54
Profit / (Loss) before exceptional items & taxes	**(71.09)**	(184.96)
Less : Exceptional items (Net)	**--**	296.05
Profit/(Loss) before tax (A)	**(71.09)**	(481.02)
Tax Provision	**Nil**	Nil
Profit / (Loss) after tax	**(71.09)**	(481.02)
Profit/(Loss) from discontinuing operations	**949.72**	--
Tax expense of discontinuing operations	**--**	--
Profit/(Loss) from Discontinuing operations (B)	**949.72**	--
Net Profit/(Loss) for the period (C) = (A)+(B)	**878.63**	(481.02)

2. DIVIDEND:

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

3 RESERVES:

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

4. BRIEF DISCRIPTION OF COMPANY'S WORKING:

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

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

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

- **Segment-wise Performance:**
  The Company is having only one segment i.e. Textile.

- **Financial Performance:**
  The sale during the year under report is *84.94 Lacs*, The company has suffered loss before interest & depreciation against the Profits of the previous year. 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.

- **Human Resources:**
  The Company continues to lay emphasis on developing and facilitating optimum human performance.

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

- **Cautionary Statement:**
  This annual report and accounts contains certain statements with respect to the

financial condition, results, operations and businesses. These statements involve risk and uncertainty because they relate to events and depend upon circumstances that may occur in the future.

5. NUMBER OF MEETINGS OF THE BOARD:

During the year, Six Board Meetings were convened and held on 30-05-2018, 13-08-2018, 01-09-2018, 30-10-2018, 14-01-2019 and 14-02-2019. 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 OCCURED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

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

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

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

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

Directors retiring by rotation:

Pursuant to section 152 of the Companies Act, 2013 Shri. Aditya V 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.

9. INTERNAL CONTROLS SYSTEM AND THE ADEQUACY:

In order to attain the corporate objectives, strict internal controls systems were implemented across the organization. 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

During the year, the Company came out of the BIFR by making OTS with its Lenders. The company is in process of appointing Independent Directors to comply with SEBI (LODR) Regulations.

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 Lakhs 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:

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 has zero tolerance for sexual harassment at workplace and accordingly due care is always taken in respect of prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder.

No complaints were received during the year.

Further, necessary steps are being taken by the Board for complying with provisions of the said Act including constitution of Internal Complaints Committee as referred in the said Act.

18. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:

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

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

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

20. SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. 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:

The Company was earlier registered with BIFR and due to continuous losses for past few years; no one was interested in getting appointed as Internal Auditor, CFO, Company Secretary. Hence, due to lack of expertise knowledge and inadvertence the Company has not complied with the certain Listing Regulations as well as Secretarial Standards. Further, now tjhe Demat process of Company's securities is completed. During the year, the Company came out of the BIFR by making OTS with its Lenders. The company is in process of appointing Independent Directors to comply with SEBI (LODR) Regulations. The other comments/ observations made by the Secretarial Auditor in his Report are self explanatory and do not require any further clarification.

22. PUBLIC DEPOSITS:

The Company has not raised any deposits from the public.

23. AUDITORS:

M/s. Jatin Shah, Chartered Accountants, Mumbai (Mem. No. 103858), Statutory Auditors of the Company were appointed at the 34th AGM for a period of 5(five) years i.e. from the conclusion of 34th AGM till the Conclusion of 39th AGM subject to ratification by Members at every AGM. However, Mr. Jatin Shah, Chartered Accountant, Mumbai (Mem. No. 103858) had expressed his unwillingness to act as Statutory Auditor of the Company and had furnished his resignation. Therefore, it was proposed to appoint M/s.A B N J & Co. (FRN: 121677W), Chartered Accountants, Mumbai as the Statutory Auditors of the Company for a period of 5 (five) years i.e. from the conclusion of 35th AGM till the conclusion of 40th AGM at a remuneration to be determined by the Board of Directors of the Company. Further, M/s. A B N J & Co.

(FRN: 121677W), Chartered Accountants, Mumbai had also furnished his consent and eligibility Certificate. Therefore, Your Directors recommend appointment of M/s. A B N J & Co. (FRN: 121677W), Chartered Accountants, Mumbai as the Statutory Auditors of the Company.

24. RESERVATION AND QUALIFICATION ON AUDITOR'S REPORT:

The observations, qualifications/ disclaimers, if any, made by the Statutory Auditors in their report for the Financial Year ended 31st March, 2019 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanations or comments from the Board under Section 134(3) of the Companies Act, 2013.

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. COMMITTIES:

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 29-05-2018, 11-08-2018, 29-10-2018 and 13-02-2019 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 (4) meetings were held of the committee on 29-05-2018, 11-08-2018, 29-10-2018 and 13-02-2019 and attended by all.

III. Stakeholder Relationship Committee:

The Stakeholder Relationship 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 (4) meetings were held of the committee on 29-05-2018, 11-08-2018, 29-10-2018 and 13-02-2019 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, 2019 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:

				Current Year	Previous Year
I)	**CONSERVATION OF ENERGY FORM-A**				
a)	**POWER & FUEL CONSUMPTION**				
	1	**ELECTRICITY**			
		(a)	Purchased : Unit	**2,44,650**	**1,84,855**
			Total Amount	**33,94,089**	**32,79,480**
			Rate / Unit	**Rs.13.87**	**Rs. 17.74**
		(b)	**OWN GENERATION**		
			(i) Through Diesel Generator	**Nil**	Nil
			Units		
			Units Per Ltr. Of Diesel		
			Cost / Unit		
			(ii) Through Steam Turbine/Generator	**Nil**	Nil
			Units		
			Units Per Ltr. Of Fuel		
			Cost / Unit		
	2	**COAL (Specify Quality & where used)**		**Nil**	Nil
			Quantity		
			Total Cost		
			Average Rate		
	3	**FURNACE OIL**		**Nil**	Nil
			Quantity		
			Total Cost		
			Average Rate		
	4	**OTHER GENERATORS**		**Nil**	Nil
			Quantity		
			Total Cost		
			Average Rate		
b)	**CONSUMPTION PER UNIT OF PRODUCTION STANDARDS (IF ANY)**				
	Products (Yarn & Towel)			0.19 Kg	0.53 Kg
	Electricity			2,44,650 Units	1,84,855 Units
	Furnace Oil			---	---
	Coal			---	---
	Others			---	---
II)	**OTHER INFORMATION ABOUT TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO ETC.**				
	a) Technology Absorption : Technology absorption and R & D efforts are not applicable to the Company.				
	b)	**Foreign Exchange Earnings and Outgo**			
		1	Foreign Exchange Used		
			Value of Direct Import on CIF Basis		
			Capital - goods, Store & Spare parts	Rs. Nil	
			Travelling Expenses	Rs. Nil	
		2	Earning in Foreign Exchange		
			i) Direct Export	Rs. Nil	
			ii) Indirect Export	Rs. Nil	

31. DIRECTORS' RESPONSIBILITY STATEMENT:

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

a) in the preparation of the annual financial statements for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
d) The directors have prepared the annual accounts on a going concern basis; and
e) The directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

32. CORPORATE GOVERNANCE:

The Report on Corporate Governance and Management's Discussion & Analysis Report, in terms of Regulation 34(3) 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. COMPLIANCE:

The Company has complied with the applicable Secretarial Standards viz. SS-1 i.e. Secretarial Standard on Board Meetings and SS-2 i.e. Secretarial Standard on General Meeting during the year under review.

35. MAINTENANCE OF COST RECORDS:

During the year under review the Company was not required to maintain the Cost records as specified by the Central Government under Section 148 of the Companies Act, 2013.

36. 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 expresses their gratitude to the Shareholders for their continued co-operation and support.

For & on behalf of the Board,

PLACE : SOLAPUR

DATED : 01-09-2019 (V. R. Jaju)
Managing Director
DIN : 00081475

Annexure 1

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:

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

REMUNERATION TO NON-EXECUTIVE AND INDEPENDENT DIRECTORS

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

For NIWAS SPINNING MILLS LTD.

(V R. Jaju)
Managing Director
DIN : 00081475

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 2018-19;

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	900000	---	---

*Excluding perquisites agg. to Rs. 82,430/-

i. Percentage increase in remuneration of each whole time director, Chief Financial Officer and the Company Secretary of the Company, during the financial year 2018-19.
- There is 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. 12

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	Spinomat Textiles Pvt Ltd Promoter holding shares of aforesaid Co.	Neeta Textiles Promoter holding shares of aforesaid Co.
Nature of contracts/arrangements/transactions	Reimbursement of Bank Interest	Repayment received towards advance	Reimbursement of Bank Interest
Duration of the contracts / arrangements / transactions	01/04/2018 to 31/03/2019	01/04/2018 to 31/03/2019	01/04/2018 to 31/03/2019
Salient terms of the contracts or arrangements or transactions including the value, if any	Rs. In Lacs Nil	Rs. In Lacs 23.74	Rs. In Lacs Nil
Date(s) of approval by the Board, if any	–	–	–
Amount paid as advances, if any (Adv. Against supplies)	Nil	Nil	Nil

For NIWAS SPINNING MILLS LTD.

(V R. Jaju)
Managing Director
DIN : 00081475

Form No. MR-3
SECRETARIAL AUDIT REPORT
[Pursuant to section 204(1) of the Companies Act, 2013 and rule no.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]
Secretarial audit report
For the Financial Year ended 31st March, 2019

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, 2019 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, 2019 according to the provisions of:

I. The Companies Act, 2013 (the Act) and the rules made there under;
II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
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;- **Not Applicable.**
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 138 of the Companies Act, 2013 in respect of the appointment of Internal Auditor.***
2. ***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.***
3. ***The Company has not complied with the provisions of Section 149 of the Companies Act, 2013 pursuant to the appointment of Independent Directors.***
4. ***The Audit Committee and Remuneration Committee constituted are not as per the provisions of Section 177 and 178 of the Companies Act, 2013.***
5. ***The Company has not complied with the provisions of Section 203 of the Companies Act, 2013 in respect of the appointment of Chief Financial Officer and Company secretary.***
6. ***The Company has not complied with certain provision of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 for the year 2018-2019 with respect to Corporate Governance.***
7. ***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.***
8. ***Non-disclosure of all events and information on the Company's website for the year ended on 31st March 2019, as required pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.***
9. ***Company has not complied with certain provisions of Secretarial Standard -1 for Board Meeting and Secretarial Standard 2 for Annual General Meeting.***
10. ***The Minutes of the Company is not maintained as per the Secretarial Standards for the Board Meeting and Annual General Meeting.***
11. ***The newspaper clipping published by the Company was not in line with provisions of regulation 47 of SEBI (Listing obligation and disclosures requirements) Regulation, 2015.***
12. ***The Company has failed to upload the Outcome of Board Meetings under the relevant tab on BSE Listing Center.***
13. ***The Company has not filed its Form INC-22A i.e. Active Form on MCA portal and the status of the Company is "Active Non Complaint" and the status of its Director is "Director of Active Non-Complaint Company".***
14. ***The Share Holding of Promoter and Promoter Group is not held in dematerialized form as on date.***

We further report that

- The Board of Directors of the Company is constituted as follows:
  Mr. Vijay Ramniwas Jaju: Managing Director
  Mr. Mitesh Ramkisan Daga: Director
  Mr. Aditya Vijay Kumar Jaju: Director

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,
Practicing Company Secretaries

Suhas Ganpule
Proprietor,
Membership No: 12122
C. P No: 5722
Date: 06th June, 2019
Place: Mumbai

To
The Board of Directors
NIWAS SPINNING MILLS LIMITED
406/A, West Mangalwar Peth
Chati Galli
Solapur.

Subject : Declaration by Practising Company Secretary pursuant to Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding non-disqualification of the Directors.

Pursuant to Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and on the basis of the declaration received from the Directors of Niwas Spinning Mills Limited (the 'Company'). I Mr. Suhas Sadanand Ganpule, Company Secretary in Practice hereby declare that the under stated Directors of the Company are not debarred or disqualified from being appointment or to continue as Directors of the Company by the SEBI/Ministry of Corporate Affairs or any another Statutory Authority for the year ended March 31, 2019:

Name of Director	DIN
Mr. Vijay Ramniwas Jaju	00081475
Mr. Mitesh Ramkisan Daga	00082175
Mr. Aditya Vijaykumar Jaju	02625781

For SG and Associates,

Suhas Ganpule,
Proprietor,
Practicing Company Secretaries
Membership No: 12122
C. P. No: 5722

To
The Members,
Niwas Spinning Mills Limited,
Mumbai

My 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 my 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. Wherever 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 and Associates,

Suhas Ganpule,
Proprietor,
Practicing Company Secretaries
Membership No: 12122
C. P. No: 5722

ANNEXURE - 5

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2019

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

REGISTRATION AND OTHER DETAILS:

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

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

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

v) Address of the Registered Office and contact details

Address	406/A, West Mangalwar Peth Chati Galli Solapur
Town / City	Solapur
State	Maharashtra
Telephone (with STD Area Code Number)	0217-2328650
Pin Code	413002
Fax Number	0217-2328712
E mail address	niwas_mill@rediffmail.com
Web Site	www.niwasmill.com

	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	busicomp@vsnl.com

vi)	Whether Shares Listed On Recognized Stock Exchange(S) Name of the Stock Exchange/s	Yes BSE Ltd.
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any Name of Registrar & Transfer Agents:	M/s. Purva Sharegistry (India) Pvt. Ltd.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sl. 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
-	-	-	-	-	-

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) Individual/HUF	-	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' Relatives)		325527	325527	2.31	-	325227	325227	2.31	
Sub-total (A) (1):-		**5906677**	**5906677**	**41.92**		**5906377**	**5906377**	**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**		**7358877**	**7358877**	**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) FIIs		-	-						
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	4231084	4231084	30.03	-	4231084	4231384	30.03	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh		617045	617045	4.37		617045	617045	4.37	
c) Others (specify)		6000	6000	0.04		6000	6000	0.04	
i) Non Resident Indians (Repat)									
ii) Non Resident Indians (Non Repat)									
iii) Clearing Member									
Sub-total (B)(2):-		5994116	5994116	42.54		5994116	5994416	42.54	
Total Public Shareholding (B)=(B)(1)+ (B)(2)		6730216	6730216	47.77		6730216	6730516	47.77	
C. Shares held by Custodian for GDRs & ADRs	NIL				NIL				-
Grand Total (A+B+C)	**14089393**				**14089393**				-

ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Ramniwas J. Jaju	30000	0.21	NIL	NIL	--	NIL	(0.21)
2	Hariniwas J. Jaju	30000	0.21	NIL	30000	0.21	NIL	0
3	Vijay R. Jaju	32425	0.23	NIL	62425	0.44	NIL	0.21
4	Aditya V. Jaju	330	0.00	NIL	330	0.00	NIL	0
5	Archana Jaju (Heda)	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	--	--	NIL	(0..21)
8	Jagdish J. Jaju	13100	0.09	NIL	--	--	NIL	(0.09)
9	Neeta V. Jaju	5275145	37.44	NIL	5275145	37.44	NIL	0
10	Priti Jaju (Porwal)	10000	0.07	NIL	10000	0.07	NIL	0
11	Ramkunwar H. Jaju	33800	0.24	NIL	33800	0.24	NIL	0
12	Rashmi Jaju (Malani)	10000	0.07	NIL	10000	0.07	NIL	0
13	Smita Jaju (Mantri)	10650	0.08	NIL	10650	0.08	NIL	0
14	Taradevi J. Jaju	45950	0.33	NIL	59050	0.42	NIL	0.09
15	Trupti J. Jaju	5000	0.04	NIL	5000	0.04	NIL	0
16	Vasantidevi R. Jaju	43500	0.31	NIL	73500	0.52	NIL	0.21
17	Amarchand N Mandhane	1650	0.01	NIL	1650	0.01	NIL	0
18	Dhapibai B. Daga	300	0.00	NIL	NIL	0.00	NIL	0
19	Kasidevi H. Soni	7500	0.05	NIL	7500	0.05	NIL	0
20	Vrunda P. Bang	3750	0.03	NIL	3750	0.03	NIL	0
21	Prakash R. Bang	10050	0.07	NIL	10050	0.07	NIL	0
22	Shivkanta R. Dhoot	3750	0.03	NIL	3750	0.03	NIL	0
23	Inderbetnal S Thakral	1452500	10.31	NIL	1452500	10.31	NIL	0
24	Umesh R Lahoti	41000	0.29	NIL	41000	0.29	NIL	0
25	Omprakash B Birla	15575	0.11	NIL	15575	0.11	NIL	0
26	Vishnu G Vinnu	10300	0.07	NIL	10300	0.07	NIL	0
27	Govind R Vinnu	8675	0.06	NIL	8675	0.06	NIL	0
28	Rameshwar L Kabra	11672	0.08	NIL	11672	0.08	NIL	0
29	Pushpa Kabra	168675	1.20	NIL	168675	1.20	NIL	0
30	Sonali Hingorani	3200	0.02	NIL	3200	0.02	NIL	0
31	Rajesh Jaju	3200	0.02	NIL	3200	0.02	NIL	0
32	Narsing R Tumma	3090	0.02	NIL	3090	0.02	NIL	0
33	Saroj R Hazari	3475	0.02	NIL	3475	0.02	NIL	0
34	Manikchand S Daga	2350	0.02	NIL	2350	0.02	NIL	0
35	Roma N Hingorani	6190	0.04	NIL	6190	0.04	NIL	0
36	Jayanti C Shirsode	2300	0.02	NIL	2300	0.02	NIL	0
37	Shamsundar G Vinnu	2275	0.02	NIL	2275	0.02	NIL	0
38	Meera Hingorani	4500	0.03	NIL	4500	0.03	NIL	0
39	Archana Hingorani	4500	0.03	NIL	4500	0.03	NIL	0
40	Asha O Birla	3800	0.03	NIL	3800	0.03	NIL	0
41	Raj R Desai	3750	0.03	NIL	3750	0.03	NIL	0
	TOTAL	7359177	52.23	NIL	7358877	52.23	NIL	0

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

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	7359177	52.23	7359177	52.23
2	acquisition through Transfer	(300)	00.00	(300)	NIL
3	At the End of the year	7358877	52.23	7358877	52.23

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

SN	For Each of the Top 10 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	Date	Increase / Decrease (No. of shares)	Reason	No. of shares	% of total shares of the company
1	3 A Capital Services Ltd	596500	4.23	--	--	--	596500	4.23
2	Ashik K Ajmera	250000	1.77	--	--	--	250000	1.77
3	Punjab & Sind Bank	198800	1.41	--	--	--	198800	1.41
4	State Bank of Indore	124200	0.88	--	--	--	124200	0.88
5	Stock Holding Corp of (I) Ltd	122150	0.87	--	--	--	122150	0.87
6	Indra Kumar Bagri	76659	0.54	--	--	--	76659	0.54
7	Export Import Bank of India	74500	0.53	--	--	--	74500	0.53
8	UTI Securities Exchange Ltd	62200	0.44	--	--	--	62200	0.44
9	The Catholic Syrian Bank Ltd	59900	0.43	--	--	--	59900	0.43
10	Mahendra Girdharlal	71550	0.51	--	--	--	71550	0.51

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name	Designation	Shareholding at the beginning of the year		Date	Increase/ Decrease in 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. Jaju	Mg. Director	32425	0.23	30/03/19	30000	Death	62425	0.44
2	A. V. Jaju	Director	330	0.00	--	--	--	330	0.00

vi) Indebtness:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	--	6,00,000	--	6,00,000
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	6,00,000	--	6,00,000
Change in Indebtedness during the financial year				
· Addition		4,58,000		4,58,000
· Reduction				
Net Change	--	4,58,000	--	4,58,000
Indebtedness at the				
end of the financial year				
i) Principal Amount	--	10,58,000	--	10,58,000
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	10,58,000		10,58,000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sl. No.	Particulars of Remuneration	Mr. Vijay Jaju- Managing Director	Total Amount
1.	Gross Salary (a)Salary as per provisions contained in section17(1) of the Income-tax Act, 1961 (b)Value of perquisites u/s 17(2)Income-tax Act,1961 (c)Profits in lieu of salary undersection17(3)Income- taxAct,1961	Rs.9,00,000/- Rs.82,430/- NIL	Rs.9,00,000/- Rs.82,430/- NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission - as% of profit - others, specify…	NIL	NIL
5.	Others ,please specify	NIL	NIL
6.	Total(A)	Rs.9,82,430/-	Rs.9,82,430/-
	Ceiling as per the Act – Minimum Remuneration as per Sch. V	Rs.60,00,000/-	Rs.60,00,000/-

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

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

Corporate Governance Report

Pursuant to Regulations 34(3) of the SEBI (Listing Obligations & 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 & 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:

a. As on 31.03.2019, the Board consisted of One Executive Director, Two Non-Executive Directors. Thus, the Board comprises of Executive and Non Executive Directors.

b. There is no Independent Director and Woman Director in the Board of Director of the Company. The company is in process of appointing Independent Directors & Woman director to comply with SEBI (LODR) Regulations.

Name	Designation (Executive, Non-Executive, Independent/ Promoter)	No. of outside Directorship and Committee Membership in domestic public companies. #			
		Other Directorships		Committee memberships	
		As a Member	As a Chairman	As a Member	As a Chairman
Shri V. R. Jaju	Managing Director Executive	Nil	Nil	Nil	Nil
Shri A. V. Jaju	Director Non-Executive	Nil	Nil	Nil	Nil
Shri M. R. Daga	Director Non Executive	1	Nil	Nil	Nil

Excludes Directorship and Committee Membership of Private Limited Companies.

NOTES :

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

The Board of the Company met Six times during the year on the following dates viz. 30-05-2018, 13-08-2018, 01-09-2018, 30-10-2018, 14-01-2019 and 14-02-2019 and all Directors were present at all the Meetings

The attendance at the Board Meetings & the Last Annual General Meeting (29-09-2018) were as under:

Name of the Director	Business relationship with the Company	Attendance	
		Board Meeting	AGM
Shri V. R. Jaju	Promoter	6	Yes
Shri A. V. Jaju	Promoter	6	Yes
Shri M. R. Daga	Non Promoter, Non Independent	6	Yes

b. Code of Conduct

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

Inter-se Relations between the Board of Directors:

All the Directors are relatives of each other except Mr. Mitesh R. Daga

COMMITTEES OF THE BOARD

I. Audit Committee:

a. The Audit Committee is consisting of following Directors:

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

During the year under review, 4 meetings were held on 29-05-2018, 11-08-2018, 29-10-2018 and 13-02-2019 at which all the members of the Committee were present.

Terms of reference of the Audit Committee:

The Role of Audit Committee shall include the following:

1. Oversight of the company's Financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditor for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval. With particular reference to :
   a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in term of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
   b) Changes, if any, in accounting policies and practices and reasons for the same.
   c) Major accounting entries involving estimates based on the exercise of judgment by management.
   d) Significant adjustments made in the financial statement arising out of audit findings.
   e) Compliance with listing and other legal requirements relating to financial statements.
   f) Disclosure of any related party audit report.
   g) Qualification in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing with the management, performance of statutory auditors and internal auditors, monitoring Auditors' independence, adequacy of the internal control systems.

7. To evaluate internal financial controls.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors any significant findings and follow up thereon.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in repayment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
13. To review vigil mechanism as defined under Whistle Blower Policy.
14. To obtain professional advice from external sources as and when required and to have full access to information contained in the records of the Company.
15. To review and formulate the scope and functioning of Internal Audit in consultation with the Internal Auditors.
16. To approve the appointment of CFO (i.e. the whole time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate.
17. To approve or any other subsequent modification of transactions of the Company with related parties.
18. To scrutinize inter corporate loans and investments.
19. To consider valuations of assets or undertaking of the Company, wherever it is necessary.
20. To monitor the end use of funds raised through public offers and related matters.
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee. Any other functions as may be stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

Review of Information by Audit Committee

The Audit Committee shall mandatorily review the following information:

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

II. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee is consisting of following Directors:

Name	Designation	Non-executive / Independent
Shri. V. R. Jaju	Member	Executive
Shri. V. R. Jaju	Member	Executive
Shri M. R. Daga	Member	Non-Executive

a. Remuneration of Directors:

Details of remuneration paid to Directors for the year ended 31st March, 2018 are as follows:

Name of the Directors	Salary & perquisites	Sitting Fees	Commission	Total	No of Shares hdd
Vijay Jaju	98430	NIL	NIL	98430	62425

c. During the Year under review, the Nomination and Remuneration Committee met 4 (Four) times on 29-05-2018, 11-08-2018, 29-10-2018 and 13-02-2019 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 Relationship Committee is consisting of following Directors:

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

a. During the Year under review, the Stakeholder Relationship Committee met 4 (four) times on 29-05-2018, 11-08-2018, 29-10-2018 and 13-02-2019 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 – 20

e. No. of Complaints solved to the satisfaction of shareholders – 20

f. No. of Complaints not solved to the satisfaction of shareholders –Nil

g. No. of pending Complaints – NIL

General Body Meetings :

Annual General Meeting (AGM)	Date	Time	Venue	Special Resolution Passed
2015-2016	30-09-2016	10.00 a.m.	B-2/2,M.I.D.C., Akkalkot Rd., Solapur	No
2016-2017	29-09-2017	10.00 a.m.	B-2/2,M.I.D.C., Akkalkot Rd., Solapur	Yes
2017-2018	29-09-2018	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.

4. Disclosures:

Related Party Transactions:

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

Details of non –Compliance by the Company:

There is no Independent Director and Woman Director in the Board of Director of the Company.

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 : www.niwasmill.com

4. The presentation made to Institutional investors or to : No presentation has been made to the Analysts institutional investors or to the analysts.

6. General Shareholder Information:

i. Annual General Meeting Date & Time :
Monday - 30/09/2019 at 10.00 a.m.
Venue B-2/2, MIDC, Akkalkot Road, Solapur– 413006

ii.Financial Year :1st April, 2018 to 31st March, 2019

iii.Book Closure Date: 23-09-2019 to 30-09-2019 (both days inclusive)

iv.Dividend Payment Date : Not Applicable

v.Listing on Stock Exchange : BSE Ltd.
Phiroze Jeejeebhoy Towers,Dalal Street,
Mumbai-400 001.

vi.Stock Code : BSE Ltd – 521009

vii.Payment of Listing Fees :
BSE - Paid upto Financial Year 2013-14.

viii.ISIN : INE163E01010

ix. Market Price Data
High, Low during each month in last Financial Year:
The Company is suspended due to penal reasons and Hence Market
Price Data: High, Low during each month in last Financial Year cannot be obtained.

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

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

xii) Distribution of Shareholding as on 31st March, 2019

Category	No. of Shareholders	No. of Shares	% of total Shares
Upto 5000	10701	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	**10812**	**14089393**	**100.00**

Categories of Shareholders as on 31st March, 2019.

Categories	Number of Shares	Amount (in Rs.)	%
Promoters, Directors, Relatives of Directors & Associated Companies	7358877	73588770	52.23
Clearing Member	--	--	--
Other Bodies Corporate	1139987	11399870	08.09
Nationalised Banks/Mutual Fund	736100	7361000	05.22
Foreign Holdings (NRI)	6000	60000	00.04
Public	4848429	48481290	34.41
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 B-2/2, MIDC, Akkalkot Road Solapur – 413 006
Address for Correspondence : **Registered Office:** 406/A, West Mangalwar Peth, Chati Galli, Solapur- 413002

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

7. Particulars of Directors seeking re-appointment:

Name of Director	Shri Aditya V Jaju
Name of Company in which already director	--
Designation / Membership of Board / Committee	--

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

Name	Shri Aditya Jaju
Age	30 years
Date of Appointment	25/08/2009
Experience	10 Years
Qualification	B.Com.
Membership/Chairman of Committees of the other Companies	Nil

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

The CEO 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 31.03.2019.

For **NIWAS SPINNING MILLS LIMITED,**
For & on behalf of the Board
V. R. Jaju
Managing Director
DIN : 00081475

Place : Solapur
Date : 01-09-2019

MANAGEMENTDISCUSSION AND ANALYSIS:

(a) Industry Structure and Developments:
The company supply Cotton Yarn. In 2018, sales of only 40260 (Kgs) was achieved. This shows the reason for sluggish demand for the product of the company.

(b) Opportunities and Threats:
Our product is demanded by private investors/ customers/ global customers. There has been a slow down in the private investment in the last few years. The Business cycle for private investment is going to be in the take off phase of the business cycle due to favourable fiscal and monetary policies of the State and Central Government. We hope the demand for our product will emerge from the private investment.

(c) Segment-wiseor product wise Performance:
The company has business activity within a single primary business segment viz "Textiles" and is a single geographical segment.

(d) Outlook:
The Company is hopeful to get orders from the existing customers and the new customers going to emerge from the infrastructure growth of the country. The infrastructure development is the engine of the economic growth of the Indian economy.

(e) Risk and Concerns:
The company is not having any credit facility from banks & financial institutions. The risk management for the repayment obligations is Minimum.

(f) Internal Control Systems & their adequacy:
The Standard Operating Policy, Procedures and Guidelines are issued from time to time to achieve best Practices for adequate control in regard to operations of the Company.

Comprehensive internal audit is also carried out by an independent internal auditor to ensure Compliance and identify weaknesses in the system.

(g) Discussion on financial performance with respect to operational performance:
The performance of the company has a adversely affected due to cut throat completion resulting in decrease in Revenue from operations from Rs. 159.29 Lakhs in F.Y. 2017-18 to Rs. 84.94 Lakhs in F.Y. 2018-19. The Company has incurred a loss/ profit of Rs. 878.63 Lakhs as compared to the loss/ profit incurred of Rs (481.02) lakhs in previous year. There is an under utilization of installed capacity of production due to sluggish demand for the product of the company which is the result of domestic and international slow down in the economic growth and private investment. The demand for the product of the company is mainly derived by the market forces emerged from infrastructure development. There is a cutthroat competition in the market. The company does not have much strength from cost competitiveness prevailing in the market.

There is a still challenge for profitable production and financial results need more improvement. The financial health of the company is not at the desired levels due to continuous losses over the year.

(h) Material developments in Human Resources / Industrial Relations front, including number of people employed. :
The industrial relations continued to be harmonious and cordial providing an atmosphere conducive to sustenance the present trajectory of the production. Adequate safety measures have been taken at all the Places of Businesses. Highest standard of hygiene is maintained. Our permanent employees as on 1stApril, 2018, were (Nos.) and as on 31st March, 2019 were (Nos.).

(i) Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios,
There were no significant changes in key financial ratios

(j) Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof:
The company has been under losses due to below break even production due to sluggish demand.

(k)Cautionary Statement:
Some of the statements contained within this report may be forward looking in nature and may involve risks and uncertainties. Actual Result and Outcomes in future may vary materially from those discussed herein. Factors that may cause such variances include, but are not limited to management of growth, market acceptance of Company's product and services, risk associated with new product version, dependence on third party relationship and the activities of competitors.

Independent Auditors' Certificate on compliance with the conditions of Corporate Governance

To the members of
Niwas Spinning Mills Limited
406/A, West Mangalwar Peth,
Chatti Galli, Solapur,
Maharashtra, India.

1. The Corporate Governance Report prepared by Niwas Spinning Mills Limited ("the Company"), contains details as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2019. This certificate is required by the Company for annual submission to the Stock exchange and to be sent to the shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Our responsibility is to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance, as stipulated in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditors' judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include, but not limited to, verification of secretarial records and financial information of the Company and obtain necessary representations and declarations from directors including independent directors of the Company.

8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 1 above.

Other matters and Restriction on Use

10. This Certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. This Certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

Jatin Shah
Chartered Accountants
Membership No. 103858

Place : Camp-Solapur
Dated: 30/05/2019

INDEPENDENT AUDITOR'S REPORT

To the Members of
Niwas Spinning Mills Limited

Report on the Audit of the Financial Statements

Opinion
We have audited the accompanying financial statements of Niwas Spinning Mills Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("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 31 March 2019, and profit and other comprehensive income, changes in equity and cash flows for the year ended on that date.

We conducted the audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter
A. Adoption of Ind AS 115 – Revenue from Contracts with Customers
As described in Note 2(f) to the financial statements, the company has adopted Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115') which is the new revenue accounting standard. The application and transition to this accounting standard is complex and is an area of focus in the audit. The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. The company adopted Ind AS 115 and applied the available exemption provided therein, to not restate the comparative periods.(Refer Note 39.2.P)

How the matter was addressed in the audit
The audit procedures:
Our audit procedures on adoption of Ind AS 115, Revenuefrom contracts with Customers ('Ind AS 115'), which is the new revenue accounting standard, include –

• Evaluated the design and implementation of the processes and internal controls relating to implementation of the new revenue accounting standard;
• Evaluated the detailed analysis performed by management on revenue streams by selecting samples for the existing contracts with customers and considered revenue recognition policy in the current period in respect of those revenue streams;
• Evaluated the cumulative effect adjustments as at 1 April2018 for compliance with the new revenue standard; and
• Evaluated the appropriateness of the disclosures provided under the new revenue standard and assessed the
completeness and mathematical accuracy of the relevant disclosures

Description of Key Audit Matter
B. Accounting of income from discontinuing operations

The company has sold one of its units during the year which has been held for sale since the previous year. The advance against the same was received during the previous year but the transaction could be completed during the current year in accordance with the terms and conditions of the agreement. The key audit area was accounting of gains on the sale of the unit and the taxation thereof. (Refer Note 25)

How the matter was addressed in the audit
The audit procedures included:

We made the enquiries from the management with regard to the above transaction, verified the details provided with the supporting documents and accounting of the same in accordance with IND AS 106. The management, based on its own case in the previous year, had considered the same as not taxable which position has been accepted by us based on the historical data

C. Going Concern assumption
The Company operates only in one segment i.e. Textiles. Due to financial losses, it had defaulted on loans taken from banks and settled its final liabilities during the previous year ended 31st March 2018 under the One Time Settlement scheme (OTS Scheme) of its financiers. For financing the repayment of the said defaulted loans, the company had to sell off its certain fixed assets including one of the divisions during the year. Thus the key audit matter was whether the assumption of going concern is valid in the given circumstances as the as the company has prepared the accounts on the going concern basis. (Refer note 25)

How the matter was addressed in the audit
The audit procedures included:

We made the enquiries from the management with regard to the going concern assumption and the reasons for preparation of financial statements on going concern basis, despite selling off its one of units.

The management informed that the company is capable of making the financial arrangements so as to keep the company going on in near future without any hindrances considering the business opportunities and arrangements for availability of adequate finance.

Other Information
The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is no material misstatement of other information which we are required to report and we have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements
The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company, in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The Board of Directors of the Company is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were 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 which have been used for the preparation of the financial statements by the Directors of the Company, as aforesaid.

In preparing the financial statements, the management and Board of Directors of the Company are responsible for assessing the ability of the company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The Board of Directors of the Company is responsible for

overseeing the financial reporting process of the company.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit, we also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, I am also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of financial statement and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude, that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. we describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report, that:

   a) I have sought and obtained all the information and explanations which to the

best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the relevant books of account.

d) In my opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors of the Company is disqualified as on 31 March 2019 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' 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 has disclosed the impact of pending litigations on in its financial statements.

ii. The company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

iii. There has been no amount due to be transferred to the Investor Education and Protection Fund by the Company.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):
In our opinion and according to the information and explanations given to us, no remuneration is paid during the current year by the Company covered under the provisions of Section 197 of the Act. Therefore, we are not required to comment if the managerial remuneration in excess of the limits laid down under Section 197 of the Act has been paid. The Ministry of Corporate Affairs has also not prescribed other details under Section 197(16) which are required to be commented upon by us.

As per our report of even date.

Jatin Shah
Chartered Accountants
Membership No. 103858
Place : Camp-Solapur
Dated : 30/05/2019

ANNEXURE "A" OF THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2019, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.

(b) The Company has a regular programme for physical verification in a phased periodic manner, which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. The reconciliation of physical verification of plant and equipments, subject to reconciliation was over during 2016-17 and the company is in the process of reconciliation of physical inventory of furniture and fixtures and office equipments. As explained, discrepancies, if any, would be adjusted after the completion of the reconciliation.

(c) The title deeds of immovable property are held in the name of company.

(ii) According to the information and explanation given to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification.

(iii) According to the information and explanation given to us, the Company has not granted any secured or unsecured loans to companies, firm or other parties covered in the register maintained u/s 189 of the Act. Therefore, the sub clauses (iii)(a), (iii)(b) and (iii) (c) of the Order are not applicable

(iv) In our opinion and according to information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, investments, guarantees and securities, as applicable.

(v) The company has not accepted any deposits covered under the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. 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 to be complied by the company.

(vi) The Central Government has not specified the maintenance of cost records under section 148(1) of the Act to the company. Therefore clause (vi) of the Order is not applicable.

(vii) (a) According to the records of the company and information and explanations given to us, the company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, Goods and Service tax, service tax, excise duty, value added tax, cess and other statutory dues, as applicable, with the appropriate authorities during the year. There are no arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.

(b) According to the records of the company and information and explanations given to us, the dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute are as under:

Name of the statue	Nature of dues	Amount (in Rupees)	Period to which amount relates	Forums where disputes is pending
The Central Excise Act, 1944	Excise Duty	11,82,000/-	1995-96	Central Excise and Service Tax Appellate Tribunal

(viii) The company has no borrowings from any financial institution, bank, government or debenture holders during the year. Therefore, sub clause (viii) of the Order is not applicable

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer or debt instruments during the year.

(x) As per the information and explanations given to us, and based on the audit procedures performed, no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act,2013.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, clause 3(xii) of the order is not applicable to the Company.

(xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting

under clause 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

Jatin Shah
Chartered Accountants
Membership No. 103858
Place : Camp-Solapur
Dated: 30/05/2019

ANNEXURE "B" OF THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2.(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion
We have audited the internal financial controls with reference to financial statements of Niwas Spinning Mills Limited ("the Company") as at 31st March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31stMarch, 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

Management's Responsibility for Internal Financial Controls
The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its 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 Companies Act, 2013(hereinafter referred to as "the Act").

Auditors' Responsibility
Our responsibility is to express an opinion on the Company's internal financial controls with reference to the financial statements based on our audit. We conducted my audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures 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 transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and 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 with Reference to Financial Statements

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

Jatin Shah
Chartered Accountants
Membership No. 103858

Place : Camp-Solapur
Dated: 30/05/2019.

NIWAS SPINNING MILLS LTD — In Rupees

Balance Sheet as at 31st March, 2019

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
(1) ASSETS			
(1)Non-current assets			
(a) Property, Plant and Equipment	1	9,460,051	10,162,944
(b) Financial Assets			
(i) Investments	2	18,000	18,000
(ii) Other financial assets	3	2,094,910	1,622,639
(2) Current assets			
(a) Inventories	4	1,417,528	1,315,857
(b) Financial Assets			
(i) Trade receivables	5	506,076	3,551,830
(ii) Cash and cash equivalents	6	614,148	11,398,056
(iii)Other financial assets	7	4,876,041	8,991,423
Total Assets		**18,986,754**	**37,060,749**
EQUITY AND LIABILITIES			
Equity	8		
(a) Equity Share capital		140,893,930	140,893,930
(b) Other Equity		(195,882,819)	(283,746,020)
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(b) Provisions	9	984,035	964,731
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	10	1,058,000	600,000
(ii) Trade payables	11		
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		66,377,355	71,243,527
(iii) Other financial liabilities		-	-
(b) Other current liabilities	12	5,556,252	106,834,633
(c) Provisions	13	-	269,948
Total Equity and Liabilities		**18,986,754**	**37,060,749**
Contingent liabilities	14		
Commitments	15		
Notes to Accounts	1 to 38		
Significnt accounting policies	39		

As per our report of even date — For & on behalf of the board of directors

Jatin Shah	V. R. Jaju	A. V. Jaju
Chartered Accountant	Managing Director	Director
Membership No. 103858	DIN 00081475	DIN 02625781
Place : Camp-Solapur	Place : Solapur	
Date : 30/05/2019	Date : 30/05/2019	

NIWAS SPINNING MILLS LTD

Statement of Profit and Loss for the year ended 31st March, 2019

	Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
I	Revenue from operations	16	8,494,262	15,929,794
II	Other income	17	1,105,260	10,483,259
III	**Total Revenue (I+II)**		**9,599,522**	**26,413,053**
IV	**Expenses**			
	Cost of Materials consumed	18	10,694,702	6,414,752
	Purchases of Stock-in-Trade		-	843,514
	Changes in inventories of finished goods, stock in trade &	19	-	(113,552)
	Employee benefits expense	20	696,796	722,671
	Finance costs	21	7,225	8,948,177
	Depreciation and amortization expense	22	1,585,179	2,154,331
	Other Expenses	23	3,725,237	25,939,801
	Total expenses		**16,709,139**	**44,909,694**
V	Profit/(loss) before exceptional items and tax (III-IV)		(7,109,617)	(18,496,641)
VI	Exceptional items (One Time Settlement)	24	-	29,605,397
VII	Profit/(loss) before tax (V-VI)		(7,109,617)	(48,102,038)
VIII	Tax expense:			
	(1) Current tax		-	-
	(2) Excess Provision for tax in earlier year written off		-	-
	(3) Deferred tax		-	-
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		(7,109,617)	(48,102,038)
X	Profit/(loss) from discontinued operations	25	94,972,818	-
XI	Tax expense of discontinued operations (refer note 25.2)		-	-
XII	Profit/(loss) from discontinued operations(after tax) (X-XI)		94,972,818	-
XIII	Profit/(loss) for the period (IX+XII)		87,863,201	(48,102,038)
XIV	Other Comprehensive Income		-	-
XV	Total Comprehensive Income for the period (XIII+XIV) (Comprising profit (loss) and other Comprehensive Income for the period)		87,863,201	(48,102,038)
XVI	Earnings per equity share (for continuing operation):	30.1		
	(1) Basic		(0.50)	(3.41)
	(2) Diluted		(0.50)	(3.41)
XVIII	Earnings per equity share (for discontinued operation):	30.2		
	(1) Basic		6.74	-
	(2) Diluted		6.74	-
XVIII	Earnings per equity share(for discontinued & continuing	30.3		
	(1) Basic		6.24	(3.41)
	(2) Diluted		6.24	(3.41)
	Notes to Accounts	1 to 38		
	Significant accounting policies	39		

As per our report of even date

For & on behalf of the board of directors

Jatin Shah	**V. R. Jaju**	**A. V. Jaju**
Chartered Accountant	Managing Director	Director
Membership No. 103858	DIN 00081475	DIN 02625781
Place : Camp-Solapur	Place : Solapur	
Date : 30/05/2019	Date : 30/05/2019	

NIWAS SPINNING MILLS LTD In Rupees

Statement of Changes in Equity for the year ended 31st March, 2019

(a) Equity

Particluars	Equity Shares			
	As at 31 March 2019		As at 31 March 2018	
	Number	Rs.	Number	Rs.
Issued, subscribed and fully paid up Equity Shares outstanding at the beginning of the year	14,089,393	140,893,930	14,089,393	140,893,930
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-			-
Issued, subscribed and fully paid up Equity Shares outstanding at the end of the year	14,089,393	140,893,930	14,089,393	140,893,930

(b) Other Equity In Rupees

Particulars	Reserves and Surplus				Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings (Surplus as per Profit & Loss)	
As at 1st April 2018					
Balance at the beginning of the reporting period	26,222,030	231,718,150	8,278,946	(501,863,108)	(235,643,982)
Addititions /(deductions) during the year	-	-	-	(48,102,038)	(48,102,038)
Balance at the end of the reporting period	26,222,030	231,718,150	8,278,946	(549,965,146)	(283,746,020)
As at 31 March 2019					
Balance at the beginning of the reporting period	26,222,030	231,718,150	8,278,946	(549,965,146)	(283,746,020)
Addititions /(deductions) during the year	-	-	-	87,863,201	87,863,201
Balance at the end of the reporting period	26,222,030	231,718,150	8,278,946	(462,101,945)	(195,882,819)

Description and purpose of reserves:

(a) Capital Reserve:

During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.

(b) Securities Premium Reserve:

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve.

(c) General Reserve:

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

(d) Retained Earnings:

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

As per our report of even date	For & on behalf of the board of directors	
Jatin Shah	**V. R. Jaju**	**A. V. Jaju**
Chartered Accountant	Managing Director	Director
Membership No. 103858	DIN 00081475	DIN 02625781
Place : Camp-Solapur	Place : Camp-Solapur	
Date : 30/05/2019	Date : 30/05/2019	

NIWAS SPINNING MILLS LTD.

Cash Flow Statement for the year ended 31 March, 2019

In Rupees

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash Flow from Operating Activities		
Net Profit /(Loss) before Tax	(7,109,617)	(48,102,038)
Adjustment for		
Depreciation on Property, Plant & Equipment	1,585,179	2,154,331
Interest Expense	7,225	8,948,177
Interest Income	(194,089)	(374,114)
Dividends	(500)	(1,000)
Sundry Balances Written Back	-	(4,218,101)
Loss/(gain) on Sale of Property, Plant & Equipment	-	(5,890,044)
Provision for Bad Debts	-	19,566,000
Exceptional Items-One Time Settlement	-	29,605,397
Operating Profit before Working capital changes	**(5,711,802)**	**1,688,608**
Adjustments for		
(Increase)/Decrease in Other Financial Assets(Non Current)	472,271	(918,788)
(Increase)/Decrease in Inventories	(101,671)	2,200,554
(Increase)/Decrease in Trade Receivables	3,045,754	(381,348)
(Increase)/Decrease in Other Financial Assets(Current)	4,115,382	(699,164)
Increase/(Decrease) in Provisions	(19,304)	18,928
Increase/(Decrease) in Trade Payables	(4,866,172)	(32,675,290)
Increase/(Decrease) in Other Current Liabilities	(101,538,262)	105,361,371
Net Cash Inflow /(Out Flow) from Operation (A)	**(104,603,804)**	**74,594,870**
Cash Flow from Investing Activities:		
Purchase of Property, Plant & Equipment	(882,286)	(8,334,385)
Sale of Property, Plant & Equipment	-	33,050,845
Sale of non-curret assets held for sale - from Discotinued operations	100,000,000	-
Book value of non-current assets held for sale - Discontinued operations	(5,027,182)	
Interest Income	194,089	374,114
Dividends	500	1,000
Net Cash Inflow/(Outflow) from investing Activities (B)	**94,285,121**	**25,091,574**
Cash Flow from Financing Activities:		
Repayment of Borrowings(Non Current)	-	(36,144,603)
Repayment of Borrowings(Current)	(458,000)	(13,701,095)
Interest Paid	(7,225)	(8,948,177)
Exceptional Items-One Time Settlement	-	(29,605,397)
Net Cash Inflow /(Out Flow) from Financing Activities (C)	**(465,225)**	**(88,399,272)**
Net Increase/Decrease in cash & Cash equivalents (A+B+C)	**(10,783,908)**	**11,287,172**
Opening Cash & Cash Equivalents	**11,398,056**	**110,884**
Closing Cash & Cash Equivalents	**614,148**	**11,398,056**
Reconcialiation of Cash & Cash Equivalents:		
Balance as per Cash Flow Statement	614,148	11,398,056
Cash & Cash Equivalents (as per note 6 to Accounts)	614,148	11,398,056

Note: 1. Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015

2. Previous year's figures have been regrouped/reclassified wherever applicable.

As per our report of even date	For & on behalf of the board of directors	
Jatin Shah	**V. R. Jaju**	**A. V. Jaju**
Chartered Accountant	Managing Director	Director
Membership No. 103858	DIN 00081475	DIN 02625781
Place : Camp - Solapur	Place : Solapur	
Date : 30/05/2019	Date : 30/05/2019	

NIWAS SPINNING MILLS LTD.

Notes forming part of accounts

Note No.											In Rupees
1	**Property, Plant and Equipment**										
		Gross Block				**Depreciaton**				**Book Value**	
	Particulars	**As at 1 April 2018**	**Additions**	**Deductions**	**As at 31 March 2019**	**As at 31 March 2018**	**For the year**	**Deductions**	**Up to 31 March 2019**	**As at 31 March 2019**	As at 31 March 2018
i	Land (leasehold Land)	73,139	-	-	73,139	24,754	739	-	25,493	47,646	48,385
ii	Building										
	(a) Factory Buildings	7,846,571	-	-	7,846,571	7,357,973	48,860	-	7,406,833	439,738	488,598
	(b) Admin. Office Bldg	3,726,342	-	-	3,726,342	2,988,563	36,889		3,025,452	700,890	737,779
iii	Plant & Equiptment	140,035,267	862,755	-	140,898,022	131,191,403	1,488,024	-	132,679,427	8,218,595	8,843,864
iv	Furniture & Fixtures	1,316,123	-	-	1,316,123	1,306,308	1,777	-	1,308,085	8,038	9,815
v	Vehicles	-	-	-	-	-	-	-	-	-	-
vi	Office Equipments	585,145	19,531	-	604,676	553,785	7,633	-	561,418	43,258	31,360
vii	Computer & Fax	726,340	-	-	726,340	723,197	1,257	-	724,454	1,886	3,143
	Total	**154,308,927**	**882,286**	-	**155,191,213**	**144,145,983**	**1,585,179**	-	**145,731,162**	**9,460,051**	**10,162,944**

		Gross Block				**Depreciaton**				**Book Value**	
	Particulars	**As at 1 April 2017**	**Additions**	**Deductions**	**As at 31 March 2018**	**As at 31 March 2017**	**For the year**	**Deductions**	**Up to 31 March 2018**	**As at 31 March 2018**	**As at 31 March 2017**
i	Land (leasehold Land)	1,547,063	-	1,473,924	73,139	366,423	15,625	357,294	24,754	48,385	1,180,640
ii	Building										
	(a) Factory Buildings	47,242,605	-	39,396,034	7,846,571	42,354,660	488,795	35,485,482	7,357,973	488,598	4,887,945
	(b) Admin. Office Bldg	3,726,342	-	-	3,726,342	2,949,733	38,830		2,988,563	737,779	776,609
iii	Plant & Equiptment	772,099,697	8,324,150	640,388,580	140,035,267	742,817,949	1,601,233	613,227,779	131,191,403	8,843,864	29,281,748
iv	Furniture & Fixtures	1,316,123	-	-	1,316,123	1,304,139	2,169	-	1,306,308	9,815	11,984
v	Vehicles	20,428	-	20,428	-	20,376	49	20,425	-	-	52
vi	Office Equipments	574,910	10,235	-	585,145	548,251	5,534	-	553,785	31,360	26,659
vii	Computer & Fax	726,340	-	-	726,340	721,102	2,095	-	723,197	3,143	5,238
	Total	**827,253,508**	**8,334,385**	**681,278,966**	**154,308,927**	**791,082,633**	**2,154,330**	**649,090,980**	**144,145,983**	**10,162,944**	**36,170,875**

1.1 Leasehold land acquired from MIDC under a finance lease is amortised over the ueful life of the lease period

1.2 Estimated useful life of the following assets is in line with useful life prescribed in schedule II of The Companies Act, 2013:

Asset Class	Useful life (in years)
1. Buildings	30
2. Plant and Equipment	15
3. Furniture and Fixture	10
4. Vehicles	8 to 10
5. Office Equipments	5
6. Computers	3 to 6

1.3 None of the assets are secured against any loans.

Notes forming part of accounts — In Rupees

Note No.	Particulars	As at 31 March 2019	As at 31 March 2018
2	**Non Current Investments**		
	Investments in Equity Instruments - Non Trade		
	Investments at Cost		
i	Shares of Lahoti Overseas Ltd.	12,500	12,500
	(2500 Equity Shares of Rs. 2 each fully paid		
	Unquoted, At Cost		
ii	Shares of Vikas Sahakari Bank Ltd.	500	500
	(20 Equity Shares of Rs. 25/- each fully paid up)		
iii	Shares of Nilkanth Co-op Bank	5,000	5,000
	(200 Equity Shares of Rs. 25/- each fully paid up)		
	Total	**18,000**	**18,000**
	Agreeggated value of quoted investments	12,500	12,500
	Agreeggated market value of quoted investme	37,500	51,000
	Agreeggated value of unquoted investments	5,500	5,500
	Agreeggated amount of Impairement in	-	-
3	**Other financial assets**		
	Others		
	Other than Capital Advances		
i	Security Deposits	89,910	617,639
ii	Deposit with Court - (Refer Note 24.1.1.(c))	2,000,000	1,000,000
iii	Refundable Deposit - with MVAT Authorities	5,000	5,000
	Total	**2,094,910**	**1,622,639**

4	**Inventories**		
i	Raw Materials	1,417,528	1,202,305
ii	Stock-in-Trade	-	113,552
	Total	**1,417,528**	**1,315,857**
5	**Trade receivables**		
	Unsecured - considered good	506,076	3,551,830
	Total	**506,076**	**3,551,830**
6	**Cash & Cash Equivalent**		
i	Balance with Bank		
	in Current Accounts	488,344	1,077,421
	in Time Deposit	-	10,000,000
ii	Cash on Hand	125,804	320,635
	Total	**614,148**	**11,398,056**
7	**Other Financial Assets**		
i	Interest Receivable	52,173	96,445
ii	Advance for Purchase of Machineries	612,000	872,780
iii	Other Advances		-
	To Related Party	-	18,566,000
	Less:- Provision for bad debts	-	(18,566,000)
	Others	-	1,000,000
	Less:- Provision for bad debts	-	(1,000,000)
iv	Balance with Tax Authorities	4,211,868	2,995,016
v	Non current Assets held for Sale		
	Land	-	1,116,630
	Factory & Building	-	3,910,552
	Total	**4,876,041**	**8,991,423**

NIWAS SPINNING MILLS LTD. In Rupees

Notes forming part of accounts

Note No.	Particulars	As at 31 March	As at 31 March
8	**Equity**		
(a)	**(i) Equity Share Capital**		
	Balance at the beginning of the reporting period	140,893,930	140,893,930
	Changes in equity share capital during the year	-	-
	Balance at the end of the reporting period	140,893,930	140,893,930
	Details of authorised, issued and subscribed share capital		
	Authorised Capital:		
	2,50,00,000 (PY 2,50,00,000) Equity Shares of Rs. 10/- each	250,000,000	250,000,000
		250,000,000	**250,000,000**
	Issued Capital, Subscribed and Paid up		
	1,40,89,393 (PY 1,40,89,393) Equity Shares of Rs. 10/- Each fully paid up	140,893,930	140,893,930
	Total	**140,893,930**	**140,893,930**
	ii Terms & Conditions		
	The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders		

	iii Shareholders holding more than 5 % Equity Shares	As at 31 March 2019		As at 31 March 2018	
	Name of the Shareholders	**(in Nos)**	**% Held**	**(in Nos)**	**% Held**
	i. Shri N.V.Jaju	5,275,145	37.44%	5,275,145	37.44%
	ii Shri I.Thakral	1,452,500	10.31%	1,452,500	10.31%

	iv Reconciliation of number of shares				
	Particulars	**(in Nos)**	**Rs.**	**(in Nos)**	**Rs.**
	Shares outstanding at the beginning of the year	14,089,393	140,893,930	14,089,393	140,893,930
	Shares Issued during the year	-	-		
	Shares bought back during the year		-		
	Shares outstanding at the end of the year	**14,089,393**	**140,893,930**	**14,089,393**	**140,893,930**

(b)	**Other Equity**					
	Particulars	**Reserves and Surplus**				
		Capital Reserve	**Securities Premium**	**General Reserve**	**Retained Earnings (Surplus as per Profit & Loss)**	**Total**
		Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**
	Balance as at 1st April 2017	26,222,030	231,718,150	8,278,946	(501,863,108)	(235,643,982)
	Addititions /(deductions) during the year	-	-	-	(48,102,038)	(48,102,038)
	Balance as at 31st March 2018	26,222,030	231,718,150	8,278,946	(549,965,146)	(283,746,020)
	Balance as at 1st April 2018	26,222,030	231,718,150	8,278,946	(549,965,146)	(283,746,020)
	Addititions /(deductions) during the year	-	-	-	87,863,201	87,863,201
	Balance as at 31st March 2019	**26,222,030**	**231,718,150**	**8,278,946**	**(462,101,945)**	**(195,882,819)**
	For nature and purpose of reserves, please refer notes below Statement of Changes in Equity					

Notes forming part of accounts — In Rupees

Note No.	Particulars	As at 31 March 2019	As at 31 March 2018
9	Provisions - Provision for Employee Benefits	984,035	964,731
	Total	**984,035**	**964,731**
9.1	The above is based on estimated basis for the year ended 31st March 2019 and acturial valuation has not been made		
10	**Borrowings**		
	Unsecured		
A	Loans repayable on demand		
i	from Others	-	-
B	Loans from related Parties		
i	from Promoters / Directors	1,058,000	600,000
	Total	**1,058,000**	**600,000**
11	**Trade Payable**		
i	Due to SME (Refer Note 11.1 and 11.2)	-	-
ii	Due to Others	66,377,355	71,243,527
	Total	**66,377,355**	**71,243,527**
11.1	Micro, Small and Medium (SME) business enterprises :		
	There are no Micro, Small and Medium Enterprises, to whom the company owns dues, which are outstanding for more than, 45 days as at 31st March 2019. 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 indentified on the basis of information available with the company and has been relied upon by the auditors.		
11.2	The information as required under the general instrctution for preparation of the balance sheet under the heading "FA. Trade Payables" is Nil or not applicable.		
12	**Other Current Liabilities**		
i	Advance Received against disposal of fixed Assets of Unit 2	-	99,000,000
ii	Provision for Expenses	5,357,567	7,518,755
iii	Statutory Dues Payable	198,685	315,878
	Total	**5,556,252**	**106,834,633**
13	Provisions - Provision for income tax	-	269,948
	Total	**-**	**269,948**
14	**Contingent liabilities**		
14.1	Claims against the company not acknowledged as debts:		
14.1.1	Disputed liabilities in respect of:		
	(a) Excise Duty	1,182,000	1,182,000
	(b) Income Tax	NIL	1,287,948
	(c) Legal matters pending in the courts for claims made against, and disputed by the company. (Deposit made with the courts Rs. 20,00,000/-(Previous Year Rs. 10,00,000/-)	4,360,000	4,360,000
	Both Excise & I.T. Liabilities are disputed and matter is sub-judiced under Appellate Tribunal and High Court respectively.		
	It is not practicable to estimate the timing of cash outflow, if any, in respect of matters at (a) & (b) above pending resolution of the legal proceedings. Further, the liability mentioned in (a) & (b) above excludes interest and penalty in cases where the company has determined that the possibility of such levy is remote.		
14.2	Bank Guarantees to E.P.C.G. excluding financial guarantees	83,556,000	83,556,000
	The Company does not expect any reimbursements in respect of the above contingent liabilities.		
	In respect Bank Guarantees, the cash outflows, if any, could generally occur up to three years, being the period over which the validity of the guarantees extends.		
15	**Commitments**		
	Estimated amounts of contracts remaining to be executed on capital account	612,000	2,749,400

Note No.	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
			In Rupees
16	**Revenue from operations**		
	Sale of Products		
	- Finished Goods	8,494,262	14,701,217
	- Traded Goods	-	1,228,577
	Total	**8,494,262**	**15,929,794**
17	**Other income**		
	Interest income	194,089	374,114
	Dividends	500	1,000
	Scrap sale	161,503	-
	Net gain on sale of Property, plant and equipment	-	5,890,044
	Commission	566,250	-
	Sundry balances written back	182,918	4,218,101
	Total	**1,105,260**	**10,483,259**
18	**Cost of Materials consumed**		
	a) Raw Material		
	Opening Stock of Raw Material	1,202,305	3,516,411
	Add : Purchases	7,030,939	4,100,646
	Traded goods used for manufacturing	113,552	-
	b) Other Direct Expenses		
	Light Bill	3,394,089	-
	Packing Material Consumed	54,290	-
	Transportation Exp	157,799	-
	Processing Charges	159,256	-
		12,112,230	7,617,057
	Less : Closing Stock	1,417,528	1,202,305
	Total	**10,694,702**	**6,414,752**
19	**Change in inventory of finished goods, stock in trade & WIP**		
	Stock-in-Trade		
	Opening Stock:	113,552	-
	Less : Closing Stock	-	113,552
	Less: Transferred to Materials consumed	113,552	
	Total	**-**	**(113,552)**
20	**Employee benefits expense**		
	Salaries & Wages	597,070	637,634
	Contribution to Provident & Other Funds	99,726	85,037
	Total	**696,796**	**722,671**
21	**Finance Costs**		
	Interest Expenses	7,225	8,948,177
	Total	**7,225**	**8,948,177**
22	**Depreciation and amortization expense**		
	Depreciation and amortization expense	1,585,179	2,154,331
	Total	**1,585,179**	**2,154,331**

23	**Other Expenses**		
	Packing Materials consumed	-	38,771
	Power and fuel	34,240	3,388,273
	Rent	-	26,520
	Directors remuneration & allowances	982,430	659,880
	Repairs to Building	540,486	268,896
	Repairs to Machinery	932,932	370,754
	Legal & professional fees	282,010	63,780
	Travelling expenses	248,393	51,986
	Vehicle expenses	170,840	50,014
	Forwarding & octroi	9,580	41,840
	Processing charges	-	2,657
	General expenses	145,206	2,500
	Telephone & Internet expenses	68,785	76,207
	Water charges	62,020	299,292
	Postage expenses	55,553	4,570
	Insurance charges	41,612	57,493
	Rates & taxes	3,539	808,375
	Commission, brokerage & discount	34,995	20,821
	Payment to Auditors - Audit fees	25,000	25,000
	- Out of pocket expenses	32,012	3,150
	Printing & stationery expenses	23,501	10,691
	Bank charges	9,043	12,225
	Advertisement & business promotion	8,000	12,250
	Filing fees	5,600	33,000
	CDSL E Voting fees	5,000	5,000
	MVAT / Income Tax appeal filing fees	3,760	9,732
	Labour welfare fund	700	624
	Listing fees	-	29,500
	Provision for bad debts	-	19,566,000
	Total	**3,725,237**	**25,939,801**

24	**Exceptional Itmes**		
	One Time Settlement (OTS) Expenses	-	29,605,397
	Total	**-**	**29,605,397**
24.1	Expenditure incurred over and above the loan liability and interest accounted for on one time settlement with the financiers.		
25	**Profit /(loss) from discontinuing operations**		
25.1	(i) Sale consideration on sale of unit no. 2	100,000,000	-
	(ii) Less: Carrying cost of the non current assets held for sale		
	(a) Land		
	Balance b/d	1,116,630	-
	Non Current assets classified as held for sale during the year	-	1,116,630
	Total (a)	1,116,630	1,116,630
	(b) Factory Building		
	Balance b/d	3,910,552	-
	Non Current assets classified as held for sale during the year	-	3,910,552
	Total (b)	3,910,552	3,910,552
	(iii) Total carrying cost of the non current assets held for sale (a+b)	5,027,182	5,027,182
	(iii) Profit/ (loss) on sale of non current assets held for sale = (i-ii)	94,972,818	-
	(iv) Tax on above (refer Note 25.2)	-	-
	Total	**94,972,818**	**-**
25.2	In the opinion of management, the profit from discontinued operations are not subject to tax under Minimum Aletrnate Tax (MAT). The auditors have relied on this and no tax provision is made accordingly.		

NIWAS SPINNING MILLS LIMITED In Rupees

Notes forming part of accounts

Note No.	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
26	The Company has complied with mandatory requirements of "De-materialisation" of its securities with CDSL obtained ISIN - INE163E01010.		
27	**Provision for taxation**		
27.1	In view of tax losses, no provision for taxation is considered necessary. In the opninon of the management, tax under MAT is also not applicable on the book profits. Also Refer note 25.2.		
28	**Deferred Tax Assets:**		
28.1	In accordance with the accounting policy, the deferred tax assets are generally recognised for all taxable temporary differences, losses and tax credit to the extent that is probable that taxable profits will be available against which those deductible temporary differences, losses and tax credits can be utilised.		
28.2	In absence of convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized, the company has not recognized the deferred tax assets in view of continuous losses as the management estimates that the company will not be able to recover these losses in near future, as under:		
28.2.1	On account of unused tax losses		
	Unabsorbed depreciation	45,389,284	42,012,008
	Unabsorbed losses	13,529,866	12,523,151
	On account of temporary disallowance	10,636	-
		58,929,786	**54,535,159**
28.3	The above deferred tax assets will be recognized if and when there is sufficient convincing evidence based on the estimated profits to recover the same by adjustments to taxable profits in future.		
28.4	Since no deferred tax assets are recognized in accordance with the IND AS 12, no reconciliation is required.		
29	Employee Benefits:		
	The company is not covered under the provision of Payment of Gratuity Act 1972. Accordingly there is no liability due in respect of gratuity.		
30	**Earnings per Share :**		
30.1	**For continuing operations**		
	(a) Net Profit/(loss) after tax for the year (used as numerator)	(7,109,617)	(48,102,038)
	(b) Weighted average No.of equity shares outstanding used as denominator	14,089,393	14,089,393
	(c) Basic earning per equity share of face value of Rs. 10 each = (a/b)	(0.50)	(3.41)
	(d) Diluted earning per share of face value of Rs. 10 each = (a/b)	(0.50)	(3.41)
30.2	**For discontinued operations**		
	(a) Net Profit/(loss) after tax for the year (used as numerator)	94,972,818	-
	(b) Weighted average No.of equity shares outstanding used as denominator	14,089,393	14,089,393
	(c) Basic earning per equity share of face value of Rs. 10 each = (a/b)	6.74	-
	(d) Diluted earning per share of face value of Rs. 10 each = (a/b)	6.74	-
30.3	**From cotinuing and discontinued operations**		
	(a) Net Profit/(loss) after tax for the year (used as numerator)	(1)	(3)
	(b) Weighted average No.of equity shares outstanding used as denominator	14,089,393	14,089,393
	(c) Basic earning per equity share of face value of Rs. 10 each = (a/b)	(0.00)	(0.00)
	(d) Diluted earning per share of face value of Rs. 10 each = (a/b)	(0.00)	(0.00)

31	**Segment Reporting:**		
31.1	The Company operates only in one segment, i.e Textiles		
31.2	Basis of identifying operating segments:		
	Operating segments are identified as those components of the Company:		
	(a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Company's other components;		
	(b) whose operating results are regularly reviewed by the Company's Board of Directors to make decisions about resource allocation and performance assessment and (c) for which discrete financial information is available		
	(c) for which discrete financial information is available		
31.3	Reportable segments:		
	An operating segment is classified as reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments. Since neither revenue nor results or assets have more than 10% of the combined results, the Company has only one reportable segments based on the nature of its products and service		
31.4	The geographical information in respect of revenues from external customers		
	(a) attributed to the company's country of domicile and:	8,494,262	15,929,794
	(b) attributed to all foreign countries in total from which the company derives revenues.	-	-
31.5	There are no revenues from external customers attributed to an individual foreign country which are Material. There are no non current assets attributed to any foreign country.	-	-
31.6	The Company does not have major customers having revenues from transactions with a single external customer amounting to 10 per cent or more of its total revenues.	Nil	10364419
32	**Managerial Remuneration:**		
32.1	Remuneration to Managing Director		
	The computation of net profits for the purpose of calculations of director remuneration under section 197 of the Companies Act 2013 is not provided as no commission is paid / payable to the whole time Director. The details of remuneration paid to the Directors are as under:		
32.2	Managing Director's Remuneration*	982,430	659,880
	* including perquisites/allowances.		
33	**Confirmation of balances**		
	Balances of Trade receivables, Trade Payables, Loans and Advances given & Unsecured loans are taken as per confirmation by the management.		
34	**Excise Duty:**		
34.1	The Company is entitled to duty exemption as per Notification No. 30/2004 dated 09-07-2004. Accordingly, there is no excise duty applicable to the company. Therefore, the Turnover for the year ended 31st March 2019 does not include any excise duty, nor any expenditure towards excise duty up to the period 30th June 2017 i.e until the period The Central Excise Act, 1944 was applicable .		
34.2	Since the company was not liable to excise duty due to exemption, the turnver for the previous year also does not include excise duty in the turnover, for the period the Central Excise Act 1944 was applicable during the part of the previous year upto 30th June 2017.		

35	**Related party Disclosures**		
35.1	Related Companies / Firms		
	a) Spinomat Textiles Pvt Ltd - A private co. controlled by a relative of Director		
	b) Neeta Textiles - A proprietory concern of relative of a director.		
	c) Niwas Vitta Viniyog Pvt. Ltd. - A private limited company in which a relative of a director is director		
	.		
35.2	Key Management Personal		
	(a) V.R. Jaju - Managing Director		
	(b) A.V. Jaju - Director		
35.3	Related party transactions:	Pl. refer separate sheet enclosed	
	(a) Raw Materials Purchases made		
	Neeta Textiles - A proprietory concern of relative of a director.	505,000	
	(b) advances (against supplies given)		
	Neeta Textiles - A proprietory concern of relative of a director.	-	3,863,660
	(c) Payments against supplies		
	Neeta Textiles - A proprietory concern of relative of a director.	4,368,660	-
	(d)Borrowings received		
	Loans from related parties - Director		
	A V Jaju	515,000	600,000
	Loans repaid to related parties - Director		
	A V Jaju	57,000	-
	(e) Directors' Remuernation and allowances		
	V R Jaju	982,430	659,880
	(f) Bad debts written off		
	A private company controlled by the relatives of the directors	-	18,566,000
35.4	Balances at the year end		
	(a) Borrowings received		
	Loans from related parties - Director		
	A V Jaju	1,058,000	600,000
	(b) Directors' remuneration payable		
	V R Jaju	525,029	-
35.5	The sales and purchases, services rendered to/from related parties and loans taken, are made on terms equivalent to those that prevail in an arms length transaction. Outstanding balances at the year end are unsecured and settlement occurs in cash.		
35.5	The Company has not recorded any impairment of receivables relating to amount owed by related parties except the the provision for bad debts.	-	18,566,000
35.6	This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which the related parties operate.		
35.7	Details of financial guarantee provided to/ received from related party	-	-
36	**Amounts to be credited to Investor education fund**		
	There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2019.		

37	Financial Instruments classification by category							
	(a) The carrying value and fair value of finacial instruments at the end of 31 March 2019 is as under:							
37(i)	Particulars	(Refer Note No. to the financial statements)	At cost	At amortised Cost	At fair value through Profit or Loss	At fair value through Other Comphren sive Income (OCI)	Total Carrying Value 31 March 2019	Total Fair Value
	(1) ASSETS							
	Non-current financial assets							
	(i) Investments	2	-	-	-	-	18,000	43,000
	(ii) Other financial assets	3	-	2,094,910	-	-	2,094,910	2,094,910
	Current financial assets							
	(i) Trade receivables	5	-	506,076	-	-	506,076	506,076
	(ii) Cash and cash equivalents	6	-	614,148	-	-	614,148	614,148
	(iii)Other financial assets	7	-	4,876,041	-	-	4,876,041	4,876,041
	Total financial Assets		**-**	**8,091,175**	**-**	**-**	**8,109,175**	**8,134,175**
	(2) LIABILITIES							
	Non-current financial liabilities							
	(i) Borrowings	9	-	-	-	-	-	-
	Current financial liabilities							
	(i) Borrowings	11	-	1,058,000	-	-	1,058,000	1,058,000
	(ii) Trade payables	12	-	66,377,355	-	-	66,377,355	66,377,355
	Total financial liabilities		**-**	**67,435,355**	**-**	**-**	**67,435,355**	**67,435,355**
	(b) The carrying value and fair value of finacial instruments at the end of 31 March 2018 is as under:							
	Particulars	Note No.	At cost	At amortised Cost	At fair value through Profit or Loss	At fair value through Other Comphren sive Income (OCI)	Total Carrying Value 31 March 2018	Total Fair Value
	(1) ASSETS							
	Non-current financial assets							
	(i) Investments	2	-	-	-	-	-	56,500
	(ii) Other financial assets	3	-	-	-	-	-	1,622,639
	Current financial assets		-				-	
	(i) Trade receivables	5	-	3,551,830	-	-	3,551,830	3,551,830
	(ii) Cash and cash equivalents	6	-	11,398,056	-	-	11,398,056	11,398,056
	(iii)Other financial assets	7	-	8,991,423	-	-	8,991,423	8,991,423
	Total financial Assets		**-**	**23,941,309**	**-**	**-**	**23,941,309**	**25,620,448**
	(2) LIABILITIES							
	Non-current financial liabilities							
	(i) Borrowings	9	-	-	-	-	-	-
	Current financial liabilities						-	
	(i) Borrowings	11	-	600,000	-	-	600,000	600,000
	(ii) Trade payables	12	-	71,243,527	-	-	71,243,527	71,243,527
	Total financial liabilities		**-**	**71,843,527**	**-**	**-**	**71,843,527**	**71,843,527**

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

The fair values for security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Carrying value of investments and other Financial assets is not revalued at fair value since the amount is not material

Note No.					
37(ii)	**Fair Value Measurement**				
(i)	**Fair Value hierarchy**				
	Level 1 - Quoted Prices (Unadjusted) in active markets for identical assets or liabi				
	Level 2 - Inputs other than quoted prices included within Level 1 that are aobservable for the asset or liability, either directly (i.e. as prices) or indirectly				
	Level 3 - Inputs for the assets or liabilities that are not based on observable				
(ii)	**The following table presents fair value hierarchy of assets and liabilities measured at fair value :**				
	As at 31 March 2019				(in Rupees)
	Particulars	**Fair value**	**Fair Value measurement using**		
			Level 1	**Level 2**	**Level 3**
	Non Current Investments				
	Fair value through OCI (Equity instruments designated upon initial recognition)	18,000			18,000
	As at 31 March 2018				(in Rupees)
	Particulars	**Fair value**	**Fair value/measurement using**		
			Level 1	**Level 2**	**Level 3**
	Non Current Investments				
	Fair value through OCI (Equity instruments designated upon initial recognition)	18,000			18,000
	Note: In absence of fair availibility of fair value , the carrying cost of the investments is considered as fair value				

NIWAS SPINNING MILLS LTD.

NOTES FORMING PART OF ACCOUNTS

In Rupees

Note No.	Particulars	As at 31 March 2019	As at 31 March 2018
38	Financial risk management		
	The Company has exposure to the following risks arising from financial instruments: - credit risk; - liquidity risk; and		
	i. Risk management framework		
	The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of property defined framework.		
	The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.		
	The Company's Audit Committee oversees compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.		
	ii. Credit risk		
	Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.		
	The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.		
	Trade and other receivables		
	The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. The Company Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank references.		
	The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables		
	The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.		
	The gross carrying amount of trade receivables		
	During the period, the Company has made no write-offs of trade receivables, as it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. The Company management also pursue all legal option for recovery of dues wherever necessary based on its internal assessment		
	A default on a financial asset is when counterparty fails to make payments within 60 days when they fall due.		
	Reconciliation of loss allowance provision – Trade receivables		
	Opening balance	-	-
	Add/(Less): Changes in loss allowance	-	-
	Closing balance	-	-

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows. This is generally carried out and monitored through the management of the Company in accordance with practice and limits set by the Company. These limits vary by location to take into account requirement, future cash flow and the liquidity in which the entity operates. In addition, the Company's liquidity management strategy involves projecting cash flows considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Financing arrangements

The company does not have any financial arrangements at the year end with any finaciers/bankers

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

	Carrying Amounts 31 March 2019	Contractual cash flows				
		Total	2 months or less	2–12 months	1–5 years	More than 5 years
Non-derivative financial liabilities						
Short term borrowings	1,058,000	1,058,000	-	1,058,000	-	-
Trade payables	66,373,353	66,373,353	-	66,373,353	-	-
Total non-derivative liabilities	**67,431,353**	**67,431,353**	**-**	**67,431,353**	**-**	**-**
Derivatives (net settled)						
Foreign exchange forward contracts	-	-	-	-	-	-
Total derivative liabilities	**-**	**-**	**-**	**-**	**-**	**-**
	Carrying Amounts 31 March 2018	Contractual cash flows				
		Total	2 months or less	2–12 months	1–5 years	More than 5 years
Non-derivative financial liabilities						
Short term borrowings	600,000.00	600,000.00	-	600,000.00	-	-
Trade payables	71,243,527	71,243,527		71,243,527		
Total non-derivative liabilities	**71,843,527**	**71,843,527**	**-**	**71,843,527**	**-**	**-**
Derivatives (net settled)						
Foreign exchange forward contracts	-	-	-	-	-	-
Total derivative liabilities	-	-	-	-	-	-

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company uses derivatives like forward contracts to manage market riskson account of foreign exchange. All such transactions are carried out within the guidelines set by the Risk Management Committee.

v. Currency risk
The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in EUR and JPY. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (Rs.). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the Rs. cash flows of highly probable forecast transactions by hedging the foreign exchange inflows on regular basis. Currency risks related to the principal amounts of the Company's foreign currency payables have not been hedged using forward contracts. In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.
vi. Exposure to currency risk
There is no exposure to currency risk as at the year end
vii. Sensitivity analysis
In absence of any foreign exchnage exposure, there is no effect on the compnay's finacials as a result of foreign exchnages flctuations.
viii. Interest rate risk
The Company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow interest rate risk. There was n o interest risk as the borrowing from the related parties has been interest free
In absence of any ineterest liability, currently the Company's borrowings are within acceptable risk levels, as determined by the management
ix. Exposure to interest rate risk
The company does not have any exposure to interest rate risk
x. Fair value sensitivity analysis for fixed-rate instruments
The company does not have any fixed rate instruments, therefore no sensitivity analysis is required.

NIWAS SPINNING MILLS LIMITED

39. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

GENERAL INFORMATION:

Niwas Spinning Mills Limited ("the Company"), is a public company domiciled in India and was incorporated on 19 April 1984 under the provisions of the Companies Act, 1956 (now replaced by Companies Act 2013) as applicable in India. Its shares are listed on Bombay Stock Exchange (BSE), India.

The registered office of the Company is located at 406/A, West Mangalwar Peth, Chatti Galli, Solapur, Maharashtra, India. The Company is principally engaged in the business of textiles.

The Company has manufacturing facilities at B 2/2 at MIDC, Solapur Maharashtra (India) and caters both the domestic and export markets.

1. BASIS OF PREPARATION:

A. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements were approved for issue in accordance with the resolution of the Board of Directors as per its meeting held on 30th May 2019

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency.

C. Basis of measurement

The financial statements have been prepared under the historical cost convention on accrual basis.

D. Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgments

Information about judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in respect of provision for employee benefits which is based on the estimated basis.

Assumptions & estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the subsequent period financial statements is included in the notes:-

A. Measurement of fair values

Company's accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values, based on which the fair value is measured as and when applicable.

This includes a regular review for significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized in a fair value hierarchy based on the inputs used in the valuation techniques as under:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted price included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the assets or liabilities that is not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2. SIGNIFICANT ACCOUNTINGPOLICIES:

A. Current and non-current classification

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Assets:
An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is expected to be realised within twelve months after the reporting date; or
d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:
A liability is classified as current when it satisfies any of the following criteria:

it is expected to be settled in the Company's normal operating cycle;

a) it is held primarily for the purpose of being traded;

b) it is due to be settled within twelve months after the reporting date; or

c) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets/ liabilities are classified as non-current.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in Cash or cash equivalents, the Company has ascertained its normal operating cycle as 12 months for the purpose of Current / Non-current classification of assets and liabilities.

A. Property, plant and equipment(PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Property, plant and equipment acquired on hire purchase basis are recognised at their cash values. For qualifying assets, borrowing costs are capitalised in accordance with the company's accounting policy.

For transition to Ind AS, the company has elected to adopt as deemed cost, the carrying value of PPE measured as per I-GAAP less accumulated depreciation and cumulative impairment on the transition date of April 1, 2016.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land and properties under construction) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Depreciation on additions to/deductions from, owned assets is calculated pro rata to the period of use.

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Assets acquired under finance leases are depreciated on a straight line basis over the lease term. Where there is reasonable certainty that the company shall obtain ownership of the assets at the end of the lease term, such assets are depreciated based on the useful life prescribed under Schedule II to the Companies Act, 2013 or based on the useful life adopted by the company for similar assets.

Leasehold land (except for lease of long term) under finance lease is amortised over the lease period. Cost of leasehold land where lease period is of long tenure and substantial rights of ownership are with lessee, are not amortised.

An item of Property, plant and equipment is derecognized when it is estimated that Company will not receive future economic benefits from its use or upon its disposal. Any gains and losses on disposal of such item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

A. Depreciation and amortisation:

Depreciation method, estimated useful lives and residual values are determined based on technical parameters / assessment, taking into account the nature of the asset, the estimated usage of the asset, the operating

conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc.

The estimated useful lives are as follows:

Assets	Useful Life as per Schedule II
Leasehold Land –Under finance Lease	60 years
Buildings	3 – 60 Years
Plant and Equipment	15 years
Furniture & Fixtures	10 Years
Vehicles	6 – 8 years
Office equipment	5 years
Computers and Data Processing Machines	3-6 years

Depreciation on additions to property, plant and equipment is provided on a pro-rata basis from the date of acquisition or installation, and in the case of a new project, from the date of commencement of commercial production.

Depreciation on an item of property, plant and equipment sold, discarded, demolished or scrapped, is provided up to the date on which such item of property, plant and equipment is sold, discarded, demolished or scrapped.

Capitalised spares are depreciated over their own estimated useful life or the estimated useful life of the parent asset whichever is lower.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

A. Intangible assets

Intangible assets that are acquired by the company, that have finite useful lives, are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

Subsequent expenditures related to an item of intangible assets are added to its carrying amount when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Any gains and losses on disposal of such intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

Finite life intangible assets are amortised on a straight line basis over the period of their expected useful lives.

B.Research & development expenditure on new products:

(i) Expenditure on research is expensed under respective heads of account in the period in which it is incurred.

(ii) Development expenditure on new products is capitalised as intangible asset, if all of the following can be demonstrated:

A.the technical feasibility of completing the intangible asset so that it will be available for use or sale;

B.the company has intention to complete the intangible asset and use or sell it;

C.the company has ability to use or sell the intangible asset;

D.the manner in which the probable future economic benefits will be generated including the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of intangible assets;

E. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

F. the company has ability to reliably measure the expenditure attributable to the intangible asset during its development.

Development expenditure that does not meet the above criteria is expensed in the period in which it is incurred.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "intangible assets under development".

F. Impairment of assets

As at the end of each accounting year, the company reviews the carrying amounts of its PPE and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. The intangible assets with indefinite life are

tested for impairment each year.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

(i) in the case of an individual asset, at the higher of the net selling price and the value in use; and
(ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Profit and Loss.

F. Financial Instruments

i. Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets are recognised at fair value on initial recognition.

Financial assets are subsequently classified as measured at:

- amortised cost
- fair value through profit and loss(FVTPL)
- fair value through other comprehensive income(FVTOCI)

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of financial assets

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost;

At each reporting date, the Company assesses whether financial assets carried at amortised cost has impaired and provisions are made for impairment accordingly. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime

expected credit losses.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

Measurement of expected credit losses
Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off
The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

i. Financial liabilities
Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

Financial liabilities are subsequently measured at amortised cost using the effective interest rate (EIR) method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Derecognition
A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

ii. Offsetting financial instruments
Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

F. Borrowing costs
Borrowing costs include interest expense calculated using the effective interest method (EIR), finance charges in respect of assets acquired on finance lease and exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs net of any investment income from the temporary investment of related borrowings, which are attributable to the acquisition, construction or production of a qualifying asset are capitalized / inventoried as part of cost of such asset till such time the asset is ready for its intended use or sale.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

F. Income tax

Income tax comprises current and deferred tax. It is recognised in statement of profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- Temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction;

- Temporary differences related to investment in subsidiary to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets- unrecognized or recognized, are reviewed at each reporting date and are recognized / reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realized.

Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

F. Inventories

Inventories are valued at the lower of cost and net realizable value after providing for obsolesces and damages as under:

(i)	Raw and packing materials	At Cost on FIFO Moving Averages basis
(ii)	Stock in process and Finished Goods	At Cost of purchase and conversion plus appropriate related production overheads determined on weighted average basis
(iii)	Stock in trade	At Cost on Moving Average basis

Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out (FIFO) basis. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

F. Cash and cash equivalents

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

G. Foreign currency translation

(i) The functional currency and presentation currency of the company is Indian Rupee.

(ii) Transactions in currencies other than

the company's functional currency are recorded on initial recognition using the exchange rate at the transaction date.

At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in profit or loss in the period in which they arise except for:

A. exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and

B. exchange differences on transactions entered into in order to hedge certain foreign currency risks.

M. Employee benefits

i. Defined benefit obligations

During the Current Year the permanent employees are less than 10 and therefore the Payment of Gratuity Act, 1972 is not applicable and thus the provision for gratuity is not provided during the year.

i. Defined contribution plan:

Company pays contributions to provident fund, employee pension scheme and employee state insurance as per statutes/ amounts as advised by the Authorities. The Company has no further obligations once the contributions have been paid. The contributions are accounted for as defined contribution plan and the contributions are recognised as employee benefit expense when they are due.

ii. Short-term benefits:

Liabilities for salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of reporting period in which the employees rendered the related services are recognised in respect of employee's service up to the end of reporting period and are measured at the amount expected to be paid when the liabilities are settled. These liabilities are presented as current employee benefit obligations in the balance sheet.

M. Provision and contingent liabilities

The Company sets up a provision when there is a present legal or constructive obligation as a result of a past event and it will probably require an outflow of resources to settle the obligation and a reliable estimate can be made. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or where reliable estimate of the obligation cannot be made. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

N. Contingent Assets

Contingent Assets are not recognised in the financial statements. However, these are disclosed in the Director's report.

O. Revenue recognition

Effective 1st April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date

of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11.

The adoption of the standard did not have any material impact to the financial statements of the Company.

(i) Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

(ii) Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

(iii) Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

(iv) In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

(v) Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation a cumulative adjustment is accounted for.

(vi) The Company disaggregates revenue from contracts with customers by geography and nature of services.

Use of significant judgments in revenue recognition

- The Company assesses the products / services promised in a contract and identify distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables

- Judgment is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

- The company uses judgment to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

- The company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

- Contract fulfillment costs are generally expensed as incurred except when costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgment, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations

(ii) Other income

A. Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate.

B. Dividend income is accounted in the period in which the right to receive the same is established.

C. Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

Q. Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the company is treated as an exceptional item and the same is disclosed in the notes to accounts.

R. Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ('CODM').

The Company's Board has identified the CODM who is responsible for financial decision making and assessing performance. The Company has a single operating segment as the operating results of the Company are reviewed on an overall basis by the CODM.

S. Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

(i) Finance leases:

A. Leases where the company has substantially all the risks and rewards of ownership of the related assets are classified as finance leases. Assets under finance leases are capitalised at the commencement of the lease at the lower of the fair value or the present value of minimum lease payments.

B. Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

(ii) Operating leases:

The leases which are not classified as finance lease are operating leases.

A. Lease rentals on assets under operating lease are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

B. Assets leased out under operating leases are continued to be shown under the respective class of assets. Rental income is recognised on a straight line basis over the term of the relevant lease.

T. Earnings per share

Basic earning per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

U. Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

a) estimated amount of contracts remaining to be executed on capital account and not provided for, and;

b) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/ procurements made in the normal course of business are not disclosed to avoid excessive details.

V. Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

W. Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the net profit for the effects of:

i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;

ii. non-cash items such as depreciation, provisions, deferred taxes, unrealized foreign currency gains and losses, and undistributed profits of associates; and

iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

T. Key sources of estimation

The preparation of financial statements in conformity with Ind AS requires that the management of the company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment, Intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, provision for rectification costs, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

U. New / Amended Ind AS and impact thereof:

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from 1st April, 2019:

(a) New Standard

Ind AS 116 - Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure

of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The standard allows for two methods of transition: the full retrospective approach, requires entities to retrospectively apply the new standard to each prior reporting period presented and the entities need to adjust equity at the beginning of the earliest comparative period presented, or the modified retrospective approach, under which the date of initial application of the new leases standard, lessees recognize the cumulative effect of initial application as an adjustment to the opening balance of retained earnings as of annual periods beginning on or after 1stApril, 2019.

Based on preliminary assessment, the Company does not expect a significant impact to opening retained earnings on adoption of Ind AS 116 as the Company does not have any major leasing transactions.

(b) The MCA has also carried out amendments of the following accounting standards:

(i) Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

This amendment clarifies that the Company shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The Company does not expect any impact from this amendment. The amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12. The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12

It outlines:

(I) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which gives better clarity of the resolution of the uncertainty.

(II) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount.

(III) the entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

The Company does not expect any significant impact of the amendment on its financial statements.

(ii) Ind AS 109–Financial instruments

The amendments to the above Ind AS relate to the existing requirements regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

The Company does not expect this amendment to have any impact on its financial statements.

(ii) Ind AS 19 – Employee benefit

The amendments to the above Ind AS clarify that if a plan amendment, curtailment or settlement occurs, it is

mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

The Company does not expect this amendment to have any impact on its financial statements.

(iii) Ind AS 23 – Borrowing Costs

The amendments to the above Ind AS clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

The Company does not expect any impact from this amendment.

(iv) Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

The Company does not currently have any long-term interests in associates and joint ventures.

(v) Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity

obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business.

The Company does not currently have any Business combinations and joint arrangements.

As per our report of even date

Jatin Shah
Chartered Accountants
Mem. No. 103858

Place : Camp-Solapur
Dated : 30/05/2019

For & on behalf of the boad of directors

V. R. Jaju Mg. Director
DIN 00081475

A.V. Jaju Director
DIN 02625781

Place : Camp-Solapur
Dated : 30/05/2019

NIWAS SPINNING MILLS LIMITED
CIN: L17110PN1984PLC032702

Regd. Office: 406/A WEST MANGALWAR PETH CHATI GALLI, SOALAPUR - 413002.
Tel No.: 0217-2328650, E-mail ID:- niwas_mill@rediffmail.com

ATTENDANCE SLIP

I/We hereby record my/our presence at the 35th Annual General Meeting of **NIWAS SPINNING MILLS LIMITED** held on Monday, 30th day of September, 2019 at 10.00 a.m. at B-2/2, M.I.D.C., Akkalkot Road, Solapur – 413 006.

Name(s) of Member(s) including Joint holders, if any :

Registered Address of the Sole/First named Member :

Registered Folio No./*DP ID No. and Client ID :

No. of Shares Held :
Name of the Proxy/Representative, if any :

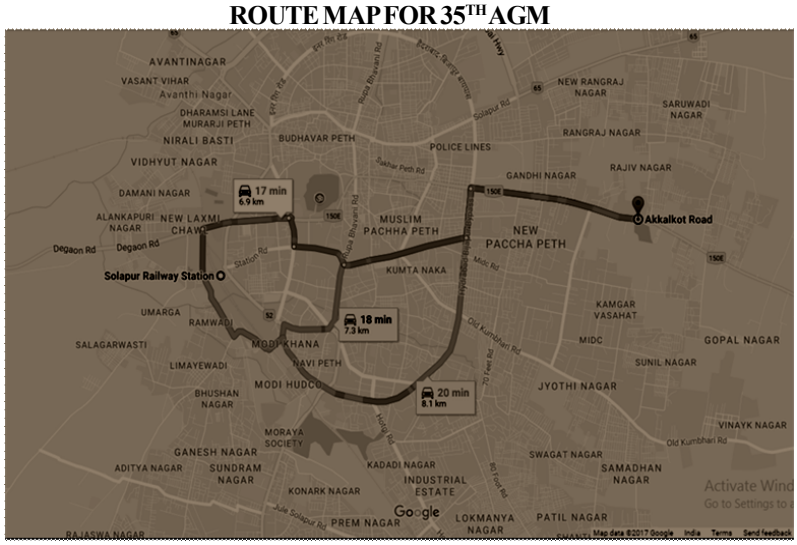
Signature of the Member (s) or Proxy :

Signature of the Representative :

NOTE: Please complete and sign this attendance slip and handover at the entrance of the meeting hall. Only member(s) or his/her/their proxy/Representative with this attendance slip will be allowed to enter to the meeting.

NIWAS SPINNING MILLS LIMITED

ROUTE MAP FOR 35TH AGM



NIWAS SPINNING MILLS LIMITED
CIN: L17110PN1984PLC032702

Regd. Office: 406/A WEST MANGALWAR PETH CHATI GALLI,
SOALAPUR - 413002.
Tel No.: 0217-2328650, E-mail ID:- niwas_mill@rediffmail.com

Form No. MGT – 11
PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s):_____

Registered Address:_____

E-mail ID:_____

Folio No./ Client ID:_____ DP ID:_____

I / We, being the member (s) of ..... shares of the above named Company, hereby appoint

1. Name:_____

Address:_____

E-mail ID:_____

Signature:_____ or failing him

2. Name:_____

Address:_____

E-mail ID:_____

Signature:_____ or failing him

3. Name:_____

Address:_____

E-mail ID:_____

Signature:_____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35TH Annual General Meeting of the Company, to be held on Monday, 30th day of September, 2019 at 10.00 a.m. at B-2/2, M.I.D.C., Akkalkot Road, Solapur–413 006 and at any adjournment thereof in respect of such resolutions as are indicated below: