

NIWAS SPINNING MILLS LIMITED
CIN – L17110PN1984PLC032702

THIRTY FOURTH ANNUAL REPORT AND ACCOUNTS 2017-2018

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

R K Patni & Co.
Chartered Accountants
505, Ambience Court,
Sector 19-D, Opp. Vashi RTO Office,
Vashi, Navi Mumbai – 400705,

BANKERS

Bank of India
Vikas Sahakari Bank Ltd.
IDBI Bank

NOTICE

NOTICE is hereby given that the THIRTY FOURTH ANNUAL GENERAL MEETING of the shareholders of NIWAS SPINNING MILLS LIMITED will be held on Saturday, the 29th September 2018 at 10.00 a.m. at B-2/2, M.I.D.C., Akkalkot Road, Solapur – 413 006 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements of the Company for the year ended 31st March 2018 along with the Reports of the Auditors' and Directors' thereon.
2. To appoint Director in place of Mr. Mitesh R. Daga (DIN:00082175) who retires by rotation and being eligible, offers himself for re-appointment
3. To Appoint Mr. Jatin Shah (Membership No. 103858), Chartered Accountant, Mumbai as the Statutory Auditor of the Company for a period of 5 (five) years i.e. from the conclusion of 34th AGM till the conclusion of 39th AGM at a remuneration to be determined by the Board of Directors of the Company.

FOR NIWAS SPINNING MILLS LTD.

PLACE : SOLAPUR

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

DATED : 01/09/2018

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 Saturday, 22-09-2018 to Saturday, 29-09-2018 (both days inclusive).
 4. Members are requested to intimate any change in their address to the Company at the earliest quoting their Folio Numbers.
 5. The Members who will hold the shares either in physical form or in dematerialized form as on 24th August, 2018 will receive the Notice of AGM and Annual Report for the Financial Year ended 31st March, 2018.
 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
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- electronic form for any change of bank particulars or bank mandates or for change in their address. Such changes are to be advised only to the Depository Participant by the Members. Thus, Members holding shares in electronic form are hereby requested to inform immediately of any change in the Bank details or address to their Depository Participants. The Members holding shares in physical form and desirous of registering change in their address or bank details already registered against their respective folios are requested to write to the Company or to the Registrar and Share Transfer Agent.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their respective Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar and Share Transfer Agents.
 10. In view of the 'Green Initiative in Corporate Governance' introduced by the Ministry of Corporate Affairs vide its Circular No 17/2011 dated 21.04.2011, all members who are holding shares of the Company in physical mode, are requested to register their e-mail IDs, so as to enable the Company to send all notices/reports/documents/intimations and other correspondence etc. through e-mails, in the electronic mode instead of receiving physical copies of the same. For registering your email ID, kindly send your email ID details to 'niwas_mill@rediffmail.com' The Members holding shares in Demat mode, who have not registered their e-mail IDs with DPs, are requested to register/update their email IDs with their DPs.
 11. Members may also note that the Notice of the 34th 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 34th AGM by electronic means i.e. "Remote e-voting". The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("Remote e-voting") will be provided by Central Depository Services Limited (CDSL). The Company has appointed Mr. Suhas Ganpule Company Secretary in practice, Mumbai, to scrutinize the voting process (both Remote e-voting and voting process at the AGM) in a fair

and transparent manner. The details of the process and manner of Remote e-voting is explained herein below:

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

Open your web browser during the e-voting period. Remote E-voting period begins from Wednesday, 26th September, 2018 (9:00 a.m.) and ends on Friday, 28th September, 2018 (5:00 p.m.). During this Period, shareholders holding shares either in physical form or dematerialized form, as on, Saturday, 22nd September, 2018, 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. Saturday, 22nd September, 2018 may obtain the Sequence Number (if PAN is not updated with Depository Participant or Company) by sending a request at busicomp@vsnl.com in or helpdesk.evoting@cdslindia.com by mentioning their Folio No./DP Id and Client ID No.

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

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

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

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
 - (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.
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- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) Note for Non- Individual Shareholders and Custodians

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

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

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

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

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

B. In case of members receiving the physical copy:

- (a) Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
- (b) The voting period begins on Wednesday, 26th September, 2018 (9:00 a.m.) and ends on Friday, 28th September, 2018 (5:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of, 22nd September, 2018 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, Saturday, 22nd September, 2018. 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 34th 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 : 01.09.2018

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

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

Item No. 3:

M/s. R. K. Patni & Co., Chartered Accountants, Mumbai (FRN-131257W), Statutory Auditors of the Company were appointed at the 33rd AGM for a period of 5(five) years i.e. from the conclusion of 33rd AGM till the Conclusion of 38th AGM subject to ratification by Members at every AGM. However, M/s. R. K. Patni & Co., Chartered Accountants, Mumbai (FRN-131257W) had expressed their unwillingness to act as Statutory Auditors of the Company and had furnished their resignation. Therefore, it was proposed to appoint Mr. Jatin Shah (Membership No. 103858),Chartered Accountant, Mumbai as the Statutory Auditor of the Company for a period of 5 (five) years i.e. from the conclusion of 34th AGM till the conclusion of 39th AGM at a remuneration to be determined by the Board of Directors of the Company. Further, Mr. Jatin Shah (Membership No. 103858),Chartered Accountant, Mumbai had also furnished his consent and eligibility Certificate. Therefore, Your Directors recommend appointment of Mr. Jatin Shah (Membership No. 103858),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 34th Annual Report on the business and operations of the Company and the accounts for the financial year ended March 31st, 2018.

1. FINANCIAL SUMMARY /PERFORMANCE OF THE COMPANY:

The sale during the year under report was **159.30 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 2017-18	Previous Period 2016-17
Sales	159.30	635.24
Other Income	104.83	30.73
Total Income	264.13	665.97
Profit / (Loss) before interest, depreciation, exceptional item & tax	(73.94)	49.00
Less :		
• Financial Cost	89.48	15.84
• Depreciation	21.54	60.10
Profit / (Loss) before exceptional items & taxes	(184.96)	(26.94)
Less : Exceptional items (Net)	296.05	44.27
Profit/(Loss) before tax (A)	(481.02)	(71.21)
Tax Provision	Nil	Nil
Profit / (Loss) after tax	(481.02)	(71.21)
Profit/(Loss) from discontinuing operations	--	--
Tax expense of discontinuing operations	--	--
Profit/(Loss) from Discontinuing operations (B)	--	--
Net Profit/(Loss) for the period (C) = (A)+(B)	(481.02)	(71.21)

• **Debt Restructuring:**

The major debts of the Company are crystallized and settled. Over the year the Company has paid large amount towards past debt liabilities and remaining debts are being paid in accordance with the restructured terms. The Company disposed off certain Fixed Assets during the year to repay its debts.

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 **159.30 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 29/04/2017, 30/05/2017, 29/07/2017, 01/09/2017, 30/10/2017 and 31/01/2018. 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. Mitesh Daga (DIN: 00082229), 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 organisation. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations on regular basis. The audit function maintains its independence and objectivity while carrying out assignments. It evaluates on a continuous basis, the adequacy and effectiveness of internal control mechanism. The function also proactively recommends improvement in policies and processes, suggests streamlining of controls against various risks. Your Company has laid down set of standards, processes and structure, which enables it to implement internal financial control across the Company and ensure that the same are adequate and operating effectively.

10. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

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 Lakh for the year or exceeding Rupees Eight Lakhs and Fifty Thousand per month for any part of the year.

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

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

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

14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The details of transaction with Related party in Form AOC-2 is annexed herewith as “Annexure 3”. Further, during the year under review the Company had written off bad debts from a Private Limited Company in which relative of Director is a Director.

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. 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, due to financial crunch all shares are held in physical mode.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. R. K. Patni & Co., Chartered Accountants, Mumbai (FRN-131257W), Statutory Auditors of the Company were appointed at the 33th AGM for a period of 5(five) years i.e. from the conclusion of 33th AGM till the Conclusion of 38th AGM subject to ratification by Members at every AGM. However, M/s. R. K. Patni & Co., Chartered Accountants, Mumbai (FRN-131257W) had expressed their unwillingness to act as Statutory Auditors of the Company and had furnished their resignation. Therefore, it was proposed to appoint Mr. Jatin Shah (Membership No. 103858),Chartered Accountant, Mumbai as the Statutory Auditor of the Company for a period of 5 (five) years i.e. from the conclusion of 34th AGM till the conclusion of 39th AGM at a remuneration to be determined by the Board of Directors of the Company. Further, Mr. Jatin Shah (Membership No. 103858),Chartered Accountant, Mumbai had also furnished his consent and eligibility Certificate. Therefore, Your Directors recommend appointment of Mr. Jatin Shah (Membership No. 103858),Chartered Accountant, Mumbai as the Auditor 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, 2018 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 Five (5) meetings were held of the audit committee 29-04-2017, 30-05-2017, 29-08-2017, 26-10-2017 & 30-01-2018 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 five meetings were held of the committee on 29-04-2017, 30-05-2017, 29-08-2017, 26-10-2017 & 30-01-2018 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 five meetings were held of the committee on 29-04-2017, 30-05-2017, 29-08-2017, 26-10-2017 & 30-01-2018 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, 2018 was Rs. 1408.93 Lakhs. During the year under review, the Company has not raised money by any issues. The company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

29. EXTRACT OF THE ANNUAL RETURN:

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

30. CONSERVATION OF ENERGY:

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

I) CONSERVATION OF ENERGY FORM-A		Current Year	Previous Year
a) POWER & FUEL CONSUMPTION			
1 ELECTRICITY			
(a) Purchased : Unit		1,84,855	6,01,841
Total Amount		32,79,480	74,24,785
Rate / Unit		Rs.17.74	Rs. 12.33
(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)		0.53 Kg	0.24 Kg
Electricity		1,84,855 Units	6,01,841 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:

- in the preparation of the annual financial statements for the year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The directors have prepared the annual accounts on a going concern basis; and
- The directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

32. CORPORATE GOVERNANCE:

The Report on Corporate Governance and Management's Discussion & Analysis Report, in terms of Regulation 34(3) 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 express their gratitude to the Shareholders for their continued co-operation and support.

For & on behalf of the Board,

PLACE : SOLAPUR

DATED : 01-09-2018

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

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

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 2017-18;

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 on of the employees	Ratio of Median Remuneration to Director's Remuneration
Vijay Jaju	Managing Director	600000	---	---

*Excluding perquisites agg. to Rs. 59,380/-

- ii. Percentage increase in remuneration of each whole time director, Chief Financial Officer and the Company Secretary of the Company, during the financial year 2017-18.
- There is increase in remuneration of Managing Director
- iii. Percentage increase in the median remuneration of employees of the Company during the financial year;
- There is no increase in the median remuneration of employees of the Company.
- iv. Number of permanent employees on the rolls of the Company; - Approx. 22
- v. average percentile increase already made in the salaries of employees of the company other than its managerial personnel (viz. whole time directors of the Company) during the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;
- Not Applicable
- vi. Key parameters for any variable component of remuneration availed by the directors; - Not Applicable
- vii. Affirmation the remuneration is as per the remuneration policy of the Company: Yes.

For NIWAS SPINNING MILLS LTD.

(V R. Jaju)
Managing Director
DIN : 00081475

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	01/04/2017 to 31/03/2018	01/04/2017 to 31/03/2018	01/04/2017 to 31/03/2018
Salient terms of the contracts or arrangements or transactions including the value, if any	Rs. in Lacs Nil	Rs. in Lacs 2.42	Rs. in Lacs 6.00
Date(s) of approval by the Board, if any	--	--	--
Amount paid as advances, if any (Adv. Against supplies)	Nil	Nil.	38,63,660

For NIWAS SPINNING MILLS LTD.

(V R. Jaju)
Managing Director
DIN : 00081475

SECRETARIAL AUDIT REPORT

Form No. MR-3

Secretarial Audit Report

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

and Remuneration Personnel) Rules, 2014]

Secretarial Audit Report

For the Financial Year ended 31st March, 2018

**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, 2018 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, 2018 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - IV. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
-

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

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

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

(i) Secretarial Standards with respect to Board and General Meetings of The Institute of Company Secretaries of India.

(ii) The Factories Act, 1948.

(iii) The Payment of Wages Act, 1936.

(iv) The Minimum Wages Act, 1948

(v) The Employees' State Insurance Act, 1948

(vi) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

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

1. The Company has not complied with the provisions of Section 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. Audit Committee and Remuneration Committee had been constituted by the Company but these committees are not constituted pursuant to the provisions of Section 177 and 178 of the Companies Act, 2013.
 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 2017-2018 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 quarter ended on 31st March 2018, 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 Secretaries Standard -1 of Board Meeting and Secretarial Standard 2 for Annual General Meeting.
10. 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.

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

The changes in the composition of the Board of Directors during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

**For SG and Associates,
Practicing Company Secretaries**

**Suhas Ganpule,
Proprietor,
Membership No: 12122
C. P No: 5722**

**Date: 13th August, 2018
Place: Mumbai**

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2018

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

I. REGISTRATION AND OTHER DETAILS:

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

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

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

v) Address of the Registered Office and contact details

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

vi)	Whether Shares Listed On Recognized Stock Exchange(S)	Yes
	Name of the Stock Exchange/s	1) BSE Ltd. 2) Pune Stock Exchange Limited. 3) Ahmedabad Stock Exchange Limited

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.
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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

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. N o.	Name and Address of the Company	CIN/GL N	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	-	325527	325527	2.31	-
Sub-total (A) (1):-		5906677	5906677	41.92		5906677	5906677	41.92	
(2) Foreign									
a) NRIs	-	1452500	1452500	10.31	-	1452500	1452500	10.31	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-		1452500	1452500	10.31		1452500	1452500	10.31	
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	7359177	7359177	52.23	-	7359177	7359177	52.23	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	62200	62200	0.44	-	62200	62200	0.44	-
b) Banks / FI	-	673900	673900	4.78	-	673900	673900	4.78	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) 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	-	3872432	3872432	27.49	-	4231084	4231084	30.03	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh		975697	975697	6.93		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	5994116	42.54	
Total Public Shareholding (B)=(B)(1)+(B)(2)		6730216	6730216	47.77		6730216	6730216	47.77	
C. Shares held by Custodian for GDRs & ADRs	NIL				NIL				-
Grand Total (A+B+C)	14089393				14089393				-

ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Ramniwas J. Jaju	30000	0.21	NIL	30000	0.21	NIL	0
2	Hariniwas J. Jaju	30000	0.21	NIL	30000	0.21	NIL	0

3	Vijay R. Jaju	32425	0.23	NIL	32425	0.23	NIL	0
4	Aditya V. Jaju	330	0.00	NIL	330	0.00	NIL	0
5	Archana 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	30000	0.21	NIL	0
8	Jagdish J. Jaju	13100	0.09	NIL	13100	0.09	NIL	0
9	Neeta V. Jaju	5275145	37.44	NIL	5275145	37.44	NIL	0
10	Priti 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	45950	0.33	NIL	0
15	Trupti J. Jaju	5000	0.04	NIL	5000	0.04	NIL	0
16	Vasantidevi R. Jaju	43500	0.31	NIL	43500	0.31	NIL	0
17	Amarchand N Mandhane	1650	0.01	NIL	1650	0.01	NIL	0
18	Dhapibai B. Daga	300	0.00	NIL	300	0.00	NIL	0
19	Kasidevi H. Soni	7500	0.05	NIL	7500	0.05	NIL	0
20	Vrunda P. Bang	3750	0.03	NIL	3750	0.03	NIL	0
21	Prakash R. Bang	10050	0.07	NIL	10050	0.07	NIL	0
22	Shivkanta R. Dhoot	3750	0.03	NIL	3750	0.03	NIL	0
23	Inderbetnal S Thakral	1452500	10.31	NIL	1452500	10.31	NIL	0
24	Umesh R Lahoti	41000	0.29	NIL	41000	0.29	NIL	0
25	Omprakash B Birla	15575	0.11	NIL	15575	0.11	NIL	0
26	Vishnu G Vinnu	10300	0.07	NIL	10300	0.07	NIL	0
27	Govind R Vinnu	8675	0.06	NIL	8675	0.06	NIL	0
28	Rameshwar L Kabra	11672	0.08	NIL	11672	0.08	NIL	0
29	Pushpa Kabra	168675	1.20	NIL	168675	1.20	NIL	0
30	Sonali Hingorani	3200	0.02	NIL	3200	0.02	NIL	0
31	Rajesh Jaju	3200	0.02	NIL	3200	0.02	NIL	0
32	Narsing R Tumma	3090	0.02	NIL	3090	0.02	NIL	0
33	Saroj R Hazari	3475	0.02	NIL	3475	0.02	NIL	0
34	Manikchand	2350	0.02	NIL	2350	0.02	NIL	0

	S Daga							
35	Roma N Hingorani	6190	0.04	NIL	6190	0.04	NIL	0
36	Jayanti C Shirsode	2300	0.02	NIL	2300	0.02	NIL	0
37	Shamsundar G Vinnu	2275	0.02	NIL	2275	0.02	NIL	0
38	Meera Hingorani	4500	0.03	NIL	4500	0.03	NIL	0
39	Archana Hingorani	4500	0.03	NIL	4500	0.03	NIL	0
40	Asha O Birla	3800	0.03	NIL	3800	0.03	NIL	0
41	Raj R Desai	3750	0.03	NIL	3750	0.03	NIL	0
TOTAL		7359177	52.23	NIL	7359177	52.23	NIL	0

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

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

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

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

SN	For Each of the Top 10 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	Date	Increase / Decrease (No. of shares)	Reason	No. of shares	% of total
			shares of the					shares of the
			company					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	74915	0.53	25.06.18	1744	--	76659	0.54
7	Export Import	74500	0.53	--	--	--	74500	0.53

	Bank of India							
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	Managing Director	32425	0.23	--	--	--	32425	0.23
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	Unsecured	Deposits	Total
	excluding deposits	Loans		Indebtedness
Indebtedness at the beginning of the financial year	3,88,61,632	1,43,01,095	--	5,31,62,727
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	3,88,61,632	1,43,01,095	--	5,31,62,727
Change in Indebtedness during the financial year				
· Addition				
· Reduction				
Net Change	-3,88,61,632	-1,37,01,095	--	-5,25,62,727
Indebtedness at the end of the financial year	--	6,00,000	--	6,00,000

i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due				
Total (i+ii+iii)	--	6,00,000		6,00,000

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.6,00,000/- Rs.59,880/- NIL	Rs.6,00,000/- Rs.59,880/- 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.6,59,880/-	Rs.6,59,880/-
	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 and Disclosure requirements) Regulations 2015 a Report on Corporate Governance is given below:

1. Company's Philosophy on Corporate Governance:

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

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

Board of Directors:

- As on 31.03.2018, the Board consisted of One Executive Director, Two Non-Executive Directors. Thus, the Board comprises of Executive and Non Executive Directors.
- There is no Independent Director and Woman Director in the Board of Director of the Company. 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 & 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 :

- 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. 29-04-2017, 30-05-2017, 29-07-2017, 01-09-2017, 30-10-17 and 31-01-2018 and all Directors were present at all the Meetings

The attendance at the Board Meetings and the Last Annual General Meeting (29/09/2017) were as under:

Name of the Director	Business relationship with the Company	Attendance	
		Board Meeting	AGM
Shri R. J. Jaju (till 01.09.2017)	Promoter	4	No
Shri V. R. Jaju	Promoter	6	Yes
Shri A. V. Jaju	Promoter	6	Yes
Shri M. R. Daga (from 01.09.2017)	Non Promoter, Non Independent	3	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, 5 meetings were held on 29/04/2017, 30/05/2017, 29/08/2017, 26/10/2017, and 30/01/2018 at which all the members of the Committee were present.

Terms of reference of the Audit Committee:

The Role of Audit Committee shall include the following:

- Oversight of the company's Financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditor for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval. With particular reference to :
 - 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.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statement arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party audit report.
 - Qualification in the draft audit report.

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

Review of Information by Audit Committee

The Audit Committee shall mandatorily review the following information:

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

II. Nomination and Remuneration Committee:

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

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

b. 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 held
Vijay Jaju	659280	NIL	NIL	659280	32425

- c. During the Year under review, the Nomination and Remuneration Committee met 5 (five) times on 29-04-2017, 30-05-2017, 29-08-2017, 26-10-2017 and 30-01-2018 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

- b. During the Year under review, the Stakeholder Relationship Committee met 5 (five) times on 29-04-2017, 30-05-2017, 29-08-2017, 26-10-2017 and 30-01-2018 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 – Nil
- e. No. of Complaints solved to the satisfaction of shareholders – Nil
- f. No. of Complaints not solved to the satisfaction of shareholders – Nil
- g. No. of pending Complaints – NIL
-

3. General Body Meetings :

Annual General Meeting (AGM)	Date	Time	Venue	Special Resolution Passed
2014-2015	30-09-2015	10.00 a.m.	B-2/2,M.I.D.C., Akkalkot Rd., Solapur	No
2015-2016	30-09-2016	10.00 a.m.	B-2/2,M.I.D.C., Akkalkot Rd., Solapur	No
2016-2017	29-09-2017	10.00 a.m.	B-2/2,M.I.D.C., Akkalkot Rd., Solapur	No

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

No Special Resolutions on matters requiring Postal Ballot are placed for Shareholders' approval at the 34th AGM:-

4. Disclosures:

Related Party Transactions:

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

Details of non –Compliance by the Company:

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

The Company is in the process of creating its website. Further, as the Company's shares are suspended for trading on the BSE, it is taking necessary steps for revocation of the same.

Whistle Blower Policy:

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

5. Means of Communication

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

6. General Shareholder Information:

- | | |
|------------------------------|---|
| i. Annual General Meeting | |
| Date and Time | : 29th September, 2018 at 10.00 a.m. |
| Venue | B-2/2, M.I.D.C., Akkalkot Road,
Solapur – 413 006 |
| ii. Financial Year | : 1 st April, 2017 to 31 st March, 2018 |
| iii. Book Closure Date | : Saturday, 22.09.2018 to Saturday, 29.09.2018 (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 : NA
- ix. Market Price Data
High, Low during each month in last Financial Year:
The Company is suspended due to penal reasons and Hence Market Price Data: High, Low during each month in last Financial Year cannot be obtained.
- x. Registrar & Transfer agents : M/s. Purva Shareregistry (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 Shareregistry (India) Pvt. Ltd., at the above-mentioned address.

xii) Distribution of Shareholding as on 31st March, 2018

Category	No. of Shareholders	No. of Shares	% of total Shares
Upto 5000	10725	4201996	29.82
5001 to 1000	48	355735	2.52
10001 to 20000	25	366448	2.6
20001 to 30000	13	307381	2.18
30001 to 40000	5	172800	1.23
40001 to 50000	4	172800	1.23
50001 to 100000	10	646140	4.59
100001 & above	6	7866093	55.83
TOTAL	10836	14089393	100.00

Categories of Shareholders as on 31st March, 2018.

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

xiii. Dematerialisation of Shares and Liquidity: NIL

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

xv. Plant locations 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 Mitesh Daga
Name of Company in which already director	Masterspin Export Limited
Designation / Membership of Board / Committee	Director

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

Name	Shri Mitesh Daga
Age	42 years
Date of Appointment	01/09/2017
Experience	21 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 31.03.2018.

For NIWAS SPINNING MILLS LIMITED,
For & on behalf of the Board

Place : Solapur
Date : 01.09.2018

V. R. Jaju
Managing Director
DIN : 00081475

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, 2018. 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, 2018, 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.

For R K Patni & Co.

Chartered Accountants,
(Firm's Registration No. 131257W)

R K Patni

Proprietor
(Membership No. 43947)
Place : Camp - Solapur
Dated: 30 May 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NIWAS SPINNING MILLS LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Niwas Spinning Mills Limited** ("the Company"), which comprise the Balance Sheet as at 31 March, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes 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; 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, & its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in there Ind AS Financial Statements, are prepared in accordance with Ind AS, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standard) Rules, 2006 audited by the predecessor auditor who had audited the financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information and the opening balance sheet dated May 30, 2017 expressed an unmodified opinion. Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion on the Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of these matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as at 31 March, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 its financial position in its Ind AS financial statements.
 - ii. The Company is not required to make any provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, as there are no long-term contracts including derivative contracts entered by the company;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For R K Patni & Co.
Chartered Accountants,
(Firm's Registration No. 131257W)

R K Patni
Partner
(Membership No. 43947)
Place : Camp - Solapur
Dated: 30-05-2018

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 2018, 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 thereunder. 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 statute	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
The Income Tax Act, 1961	Income tax	12,87,948* /-	1995-96	Income Tax Officer for rectification / adjustment of payments
		8,480/-	2016-17	CPC, for Rectification

* Rs 9,35,000/- has been paid against the above liability.

- (viii) (a) The company had defaulted in repayment of loans or borrowing (excluding unascertained interest) to certain financial institution / banks namely ARCIL, IARCL and Kiloskar Investment & Finance Ltd. (KIFL) until 2016-17 and during the part of the financial year 2017-18, as under:

Particulars	Amount of default (In Rupees)
Banks / Financial Institutions	
(a) ARCIL (Term Loan)	3,42,00,000/-
(b) IARCL (Working Capital Loan)	19,44,603/-
(c) KIFL (Hire Purchase)	27,17,029/-

(b) The company had repaid the defaulted amount of Rs.3,42,00,000 to ARCIL and of Rs.19,44,603 to IARCL along with interest during the year under the One Time Settlement Scheme (OTS) and therefore there is no default as at the year end.

(c) In respect of Hire Purchase loan from KIFL, the said company had gone to liquidation and in the opinion of the management, there is no likelihood for liability to crystallize. Accordingly the hire purchase liability of Rs. 27,17,029/- has been written back during the year and there is no balance repayable.

(d) The company has not taken any loans or borrowings from government companies or debenture holders.

- (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) Based upon the 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, we report that no fraud by the Company or no material fraud 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 him 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.

For R K Patni & Co.

Chartered Accountants,
(Firm's Registration No. 131257W)

R K Patni

Partner
(Membership No. 43947)
Place : Camp - Solapur
Dated: 30-05-2018

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)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Niwas Spinning Mills Limited (“the Company”) as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (‘ICAI’). 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 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control 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 standalone Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide 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 control over financial reporting 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 authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting 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.

For R K Patni & Co.

Chartered Accountants,
(Firm's Registration No. 131257W)

R K Patni

Partner
(Membership No. 43947)
Place : Camp – Solapur
Dated: 30-05-2018

NIWAS SPINNING MILLS LTD
Balance Sheet as at 31st March, 2018

(In Rupees)

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(1) ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	1	10,162,944	36,170,875	40,835,905
(b) Financial Assets				
(i) Investments	2	18,000	18,000	18,000
(ii) Other financial assets	3	1,622,639	703,851	703,851
(2) Current assets				
(a) Inventories	4	1,315,857	3,516,411	5,283,386
(b) Financial Assets				
(i) Trade receivables	5	3,551,830	3,170,482	5,717,590
(ii) Cash and cash equivalents	6	11,398,056	110,884	255,894
(iii) Other financial assets	7	8,991,423	22,831,074	22,565,213
Total Assets		37,060,749	66,521,577	75,379,839
EQUITY AND LIABILITIES				
Equity	8			
(a) Equity Share capital		140,893,930	140,893,930	140,893,930
(b) Other Equity		(283,746,020)	(235,643,982)	(228,522,236)
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	9	-	38,861,632	45,038,649
(b) Provisions	10	964,731	945,803	945,437
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	11	600,000	14,301,095	15,116,479
(ii) Trade payables	12	71,243,527	103,918,817	94,459,511
(iii) Other financial liabilities				
(b) Other current liabilities	13	106,834,633	2,974,334	7,178,121
(c) Provisions	14	269,948	269,948	269,948
Total Equity and Liabilities		37,060,749	66,521,577	75,379,839
Notes to Accounts	1 to 53			
Significant accounting policies	53			
As per our report of even date				
For R K Patni & Co.		For & on behalf of the board of directors		
Chartered Accountants				
Firm Regd. No. 131257W				
R K Patni		V. R. Jaju		A. V. Jaju
Proprietor		Managing Director		Director
Membership No. 43947		DIN 00081475		DIN 02625781
Place : Camp - Solapur		Place : Solapur		
Date : 30th May 2018		Date : 30th May 2018		

NIWAS SPINNING MILLS LTD
Statement of Profit and Loss for the year ended 31st March, 2018

(In Rupees)

	Particulars	Note No.	For the year ended 31 March 2018	For the year ended 31 March 2017
I	Revenue from operations	15	15,929,794	63,523,980
II	Other income	16	10,483,259	3,073,681
III	Total Revenue (I+II)		26,413,053	66,597,661
IV	Expenses			
	Cost of Materials consumed	17	6,414,752	50,402,107
	Purchases of Stock-in-Trade		843,514	-
	Changes in inventories of finished goods, stock in trade & WIP	18	(113,552)	-
	Employee benefits expense	19	722,671	1,141,573
	Finance costs	20	8,948,177	1,584,447
	Depreciation and amortization expense	21	2,154,331	6,010,645
	Other Expenses	22	25,939,801	10,154,015
	Total expenses		44,909,694	69,292,787
V	Profit/(loss) before exceptional items and tax (III-IV)		(18,496,641)	(2,695,126)
VI	Exceptional items (One Time Settlement)	23	29,605,397	4,426,620
VII	Profit/(loss) before tax (V-VI)		(48,102,038)	(7,121,746)
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)		(48,102,038)	(7,121,746)
X	Profit/(loss) from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit/(loss) from discontinued operations(after tax) (X-XI)		-	-
XIII	Profit/(loss) for the period (IX+XII)		(48,102,038)	(7,121,746)
XIV	Other Comprehensive Income		-	-
XV	Total Comprehensive Income for the period (XIII+XIV) (Comprising profit (loss) and other Comprehensive Income for the period)		(48,102,038)	(7,121,746)
XVI	Earnings per equity share (for continuing operation):	34		
	(1) Basic		(3.41)	(0.51)
	(2) Diluted		(3.41)	(0.51)
XVII	Earnings per equity share (for discontinued operation):			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	Earnings per equity share(for discontinued & continuing operations)	34		
	(1) Basic		(3.41)	(0.51)
	(2) Diluted		(3.41)	(0.51)
	Notes to Accounts	1 to 53		
	Significant accounting policies	53		
As per our report of even date For R K Patni & Co. For & on behalf of the board of directors Chartered Accountants Firm Regd. No. 131257W R K Patni V. R. Jaju A. V. Jaju Proprietor Managing Director Director Membership No. 43947 DIN 00081475 DIN 02625781 Place : Camp - Solapur Place : Solapur Date : 30th May 2018 Date : 30th May 2018				

NIWAS SPINNING MILLS LTD.
Cash Flow Statement for the year ended 31 March, 2018
(In Rupees)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash Flow from Operating Activities		
Net Profit /(Loss) before Tax	(48,102,038)	(7,121,746)
Adjustment for		
Depreciation on Property, Plant & Equipment	2,154,331	6,010,645
Interest Expense	8,948,177	1,584,447
Interest Income	(374,114)	(50,466)
Dividends	(1,000)	(1,000)
Sundry Balances Written Back	(4,218,101)	(741,500)
Loss/(gain) on Sale of Property, Plant & Equipment	(5,890,044)	(1,455,715)
Provision for Bad Debts	19,566,000	-
Exceptional Items-One Time Settlement	29,605,397	4,426,620
Operating Profit before Working capital changes	1,688,608	2,651,285
Adjustments for		
(Increase)/Decrease in Other Financial Assets(Non Current)	(918,788)	-
(Increase)/Decrease in Inventories	2,200,554	1,766,975
(Increase)/Decrease in Trade Receivables	(381,348)	2,547,108
(Increase)/Decrease in Other Financial Assets(Current)	(699,164)	(265,861)
Increase/(Decrease) in Provisions	18,928	366
Increase/(Decrease) in Trade Payables	(32,675,290)	9,459,306
Increase/(Decrease) in Other Current Liabilities	105,361,371	(3,462,287)
Net Cash Inflow /(Out Flow) from Operation (A)	74,594,870	12,696,892
Cash Flow from Investing Activities:		
Purchase of Property, Plant & Equipment	(8,334,385)	(1,889,900)
Sale of Property, Plant & Equipment	33,050,845	2,000,000
Interest Income	374,114	50,466
Dividends	1,000	1,000
Net Cash Inflow/(Outflow) from investing Activities (B)	25,091,574	161,566
Cash Flow from Financing Activities:		
Repayment of Borrowings(Non Current)	(36,144,603)	(6,177,017)
Repayment of Borrowings(Current)	(13,701,095)	(815,384)
Interest Paid	(8,948,177)	(1,584,447)
Exceptional Items-One Time Settlement	(29,605,397)	(4,426,620)
Net Cash Inflow /(Out Flow) from Financing Activities (C)	(88,399,272)	(13,003,468)
Net Increase/Decrease in cash & Cash equivalents (A+B+C)	11,287,172	(145,010)
Opening Cash & Cash Equivalents	110,884	255,894
Closing Cash & Cash Equivalents	11,398,056	110,884
Reconciliation of Cash & Cash Equivalents:		
Balance as per Cash Flow Statement	11,398,056	110,884
Cash & Cash Equivalents (as per note 6 to Accounts)	11,398,056	110,884
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 R K Patni & Co. Chartered Accountants Firm Regd. No. 131257W	For & on behalf of the board of directors	
R K Patni Proprietor Membership No. 43947 Place : Camp - Solapur Date : 30th May 2018	V. R. Jaju Managing Director DIN 00081475 Place : Solapur Date : 30th May 2018	A. V. Jaju Director DIN 02625781

NIWAS SPINNING MILLS LTD.

Notes forming part of accounts

1	Property, Plant and Equipment										In Rupees	
Sr. No.	Particulars	Gross Block			Depreciation			Book Value				
		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 & Equipment	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	

Sr. No.	Particulars	Cost			Depreciaton			Book Value		
		As at 1 April 2016	Additions	Deductions	As at 31 March 2017	As at 31 March 2016	For the year	Deductions	Up to 31 March 2017	As at 31 March 2016
		As at 1 April 2016	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016	For the year	Deductions	Up to 31 March 2017	As at 31 March 2016
i	Land (leasehold Land)	1,547,063	-	-	1,547,063	350,798	15,625	-	366,423	1,180,640
ii	Building									
	(a) Factory Buildings	47,242,605	-	-	47,242,605	41,811,555	543,105	-	42,354,660	4,887,945
	(b) Admin. Office Bldg	3,726,342	-	-	3,726,342	2,908,859	40,874	-	2,949,733	776,609
iii	Plant & Equipment	774,494,939	1,889,900	4,285,142	772,099,697	741,158,627	5,400,179	3,740,857	742,817,949	29,281,748
iv	Furniture & Fixtures	1,316,123			1,316,123	1,301,490	2,649	-	1,304,139	11,984
v	Vehicles	20,428			20,428	20,359	17	-	20,376	52
vi	Office Equipments	574,910			574,910	543,546	4,705	-	548,251	26,659
vii	Computer & Fax	726,340	-	-	726,340	717,611	3,491	-	721,102	5,238
	Total	829,648,750	1,889,900	4,285,142	827,253,508	788,812,845	6,010,645	3,740,857	791,082,633	36,170,875

1.1 Leasehold land acquired from MIDC under a finance lease is amortised over the useful 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. Computers	3 to 6
4. Office Equipments	5
5. Furniture and Fixture	10
6. Vehicles	8 to 10

1.3 Carrying value of Property plant and equipment pledged as collateral for liabilities and /or commitments as at March 31, 2018 Rs. Nil, as at 31st March 2017 Rs.3,88,61,632 and as at 1st April 2016 - Rs. 4,50,38,649)**1.4** None of the assets are given as a security as at the year end on 31st March 2018.

NIWAS SPINNING MILLS LTD.

Notes forming part of accounts

2 Non Current Investments				In Rupees
Sr. No	Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
	Investments in Equity Instruments - Non Trade			
	Investments at Cost			
i	Shares of Lahoti Overseas Ltd. (2500 Equity Shares of Rs. 2 each fully paid up)	12,500	12,500	12,500
	Unquoted, At Cost			
ii	Shares of Vikas Sahakari Bank Ltd. (20 Equity Shares of Rs. 25/- each fully paid up)	500	500	500
iii	Shares of Nilkanth Co-op Bank (200 Equity Shares of Rs. 25/- each fully paid up)	5,000	5,000	5,000
	Total	18,000	18,000	18,000

	Agreegated value of quoted investments	12,500	12,500	12,500
	Agreegated market value of quoted investments	51,000	63,000	24,750
	Agreegated value of unquoted investments	5,500	5,500	5,500
	Agreegated amount of Impairment in value of investments	0	0	0

3 Non Current Assets				
Sr. No	Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
	Others			
	<u>Other than Capital Advances</u>			
i	Security Deposits	617,639	703,851	703,851
ii	Deposit with Court - (Refer Note 24.1.1.(c))	1,000,000	-	-
iii	Refundable Deposit - with MVAT Authorities	5,000	-	-
	Total	1,622,639	703,851	703,851

4 Inventories				
Sr. No	Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
i	Raw Materials	1,202,305	3,516,411	5,283,386
ii	Stock-in-Trade	113,552	-	-
	Total	1,315,857	3,516,411	5,283,386

5 Trade Receivables				
Sr. No	Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
	Unsecured, considered good	3,551,830	3,170,482	5,717,590
	Total	3,551,830	3,170,482	5,717,590

6 Cash & Cash Equivalent				
Sr. No	Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
i	Balance with Bank			
	in Current Accounts	1,077,421	13,053	18,229
	in Time Deposit	10,000,000	-	-
ii	Cash on Hand	320,635	97,831	237,665
	Total	11,398,056	110,884	255,894

7 Other Financial Assets				
Sr. No	Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
i	Interest Receivable	96,445	44,099	48,731
ii	Advance for Purchase of Machineries	872,780	612,000	101,165
iii	Other Advances		19,724,523	19,297,507
	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	2,995,016	2,450,452	3,117,810
v	Non current Assets held for Sale			
	Land	1,116,630		
	Factory & Building	3,910,552		
	Total	8,991,423	22,831,074	22,565,213

NIWAS SPINNING MILLS LTD.

Notes forming part of accounts

8 Equity
(a) (i) Equity Share Capital

(In Rupees)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balance at the beginning of the reporting period	140,893,930	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	140,893,930

Details of authorised, issued and subscribed share capital

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
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	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	140,893,930
	140,893,930	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

Name of Shareholder	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	No of Equity shares held	Percentage	No of Equity shares held	Percentage	No of Equity shares held	Percentage
i. Shri N.V.Jaju	5,275,145	37.44%	5,275,145	37.44%	5,275,145	37.44%
ii. Shri I.Thakral	1,452,500	10.31%	1,452,500	10.31%	1,452,500	10.31%

iv Reconciliation of number of shares

Particulars	Equity Shares					
	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number	Rs.	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	14,089,393	140,893,930	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	14,089,393	140,893,930

(b) Other Equity

Particulars	Reserves and Surplus				Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings (Surplus as per Profit & Loss)	
As at 1 April 2016					
Balance at the beginning of the reporting period	26,222,030	231,718,150	8,278,946	(548,429,818)	(282,210,692)
Additions /(deductions) during the year	-	-	-	53,688,456	53,688,456
Balance at the end of the reporting period	26,222,030	231,718,150	8,278,946	(494,741,362)	(228,522,236)
As at 31 March 2017					
Balance at the beginning of the reporting period	26,222,030	231,718,150	8,278,946	(494,741,362)	(228,522,236)
Additions /(deductions) during the year	-	-	-	(7,121,746)	(7,121,746)
Balance at the end of the reporting period	26,222,030	231,718,150	8,278,946	(501,863,108)	(235,643,982)
As at 31 March 2018					
Balance at the beginning of the reporting period	26,222,030	231,718,150	8,278,946	(501,863,108)	(235,643,982)
Additions /(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)

8.1 Nature 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.

NIWAS SPINNING MILLS LTD.

Notes forming part of accounts

9 Borrowings

(In Rupees)

Sr. No	Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
	SECURED:			
	Term Loan from others			
i	from ARCIL (SICOM)	-	34,200,000	34,200,000
ii	from IARCL (BOB)	-	1,944,603	8,121,620
iii	Hire Purchase loan from Kirloskar Inv. & Fin. Ltd	-	2,717,029	2,717,029
	Total	-	38,861,632	45,038,649

9.1 The Secured loans from ARCIL (SICOM) and IARCL (BOB) have been settled under one time settlement (OTS) as per the agreement with financial creditors in accordance with the terms and conditions of the OTS. As a result, Rs. 29,605,397 for the year ended 31st March 2018, Rs.44,26,620 for the year ended 31st March 2017 and Rs.Nil, over and above the financial dues have been paid and accounted for separately as an exceptional item in respect of OTS.

9.2 In view of the OTS, the default of earlier years for non payment of dues and non provision of interest was not disclosed as these details are not available.

9.3 Since the company was under BIFRS, the terms and conditions of the repayment of the loans is not available and therefore not disclosed.

9.4 Term loans from ARCIL (SICOM), Hire Purchase Loan from Kirloskar Inv. & Fin. Ltd. And long term workin capital loans from IARCL (BOB) had been secured by the respective assets hypothecated/mortgaged in accordance with the loan/hire purchase agreement, inventories and book debts

10 Provisions

Sr. No	Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
	Provision for Employee Benefits	964,731	945,803	945,437
	Total	964,731	945,803	945,437

The above is based on estimated basis for the year ended 31st March 2018 and acturial valuation has not been made

10.1

11 Borrowings

Sr. No	Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
	Unsecured			
A	Loans repayable on demand			
i	from Others	-	3,627,714	3,695,214
B	Loans from related Parties			
i	from Promoters / Directors	600,000	10,673,381	11,421,265
	Total	600,000	14,301,095	15,116,479

12 Trade Payables

Sr. No	Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
i	Due to SME (Refer Note 12.1)	-	-	-
ii	Due to Others	71,243,527	103,918,817	94,459,511
	Total	71,243,527	103,918,817	94,459,511

12.1 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 2018. 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.

13 Other Current Liabilities

Sr. No	Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
i	Advance from parties against disposal of fixed Assets of Unit 2	99,000,000	-	2,967,792
ii	Provision for Expenses	7,518,755	2,257,914	3,677,620
iii	Statutory Dues Payable	315,878	716,420	532,709
	Total	106,834,633	2,974,334	7,178,121

14 Provisions

Sr. No	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	Provision for income tax	269,948	269,948	269,948
	Total	269,948	269,948	269,948

NIWAS SPINNING MILLS LIMITED

Notes forming part of accounts

15 Revenue from operations

(In Rupees)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of Products		
- Finished Goods	14,701,217	34,266,070
- Traded Goods	1,228,577	29,257,910
Total	15,929,794	63,523,980

16 Other income

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest income	374,114	50,466
Dividends	1,000	1,000
Sundry Balances Written Back	4,218,101	741,500
Commission	-	825,000
Profit on sale of Property, plant and equipments	5,890,044	1,455,715
Total	10,483,259	3,073,681

17 Cost of Materials consumed

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening Stock of Raw Material	3,516,411	5,283,386
Add : Purchases	4,100,646	48,635,132
	7,617,057	53,918,518
Less : Closing Stock	1,202,305	3,516,411
Total	6,414,752	50,402,107

18 Change in inventory of finished goods, stock in trade & WIP

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<u>Stock-in-Trade</u>		
Opening Stock:	-	-
Less : Closing Stock	113,552	-
Total	(113,552)	-

19 Employee benefits expense

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries & Wages	637,634	1,038,798
Contribution to Provident & Other Funds	85,037	102,775
Total	722,671	1,141,573

20 Finance Costs

	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
	Interest Expenses	8,948,177	1,584,447
	Total	8,948,177	1,584,447

21 Depreciation and amortization expense

	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
	Depreciation and amortization expense	2,154,331	6,010,645
	Total	2,154,331	6,010,645

22 Other Expenses

	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
	Power and fuel	3,388,273	7,456,575
	Rates & taxes	808,375	129,789
	Directors remuneration & allowances	659,880	372,363
	Repairs to Plant	370,754	345,289
	Repairs to Building	268,896	280
	Water charges	299,292	313,262
	Telephone & Internet expenses	76,207	101,059
	Legal & professional fees	63,780	254,550
	Insurance charges	57,493	44,851
	Travelling expenses	51,986	165,216
	Vehicle expenses	50,014	241,646
	Forwarding & octroi	41,840	172,688
	Packing Materials consumed	38,771	132,835
	Filing fees	33,000	1,200
	Listing fees	29,500	-
	Rent	26,520	44,305
	Payment to Auditors - Audit fees	25,000	24,150
	- Out of pocket expenses	3,150	6,860
	Cost Audit fees	-	22,000
	Commission, brokerage & discount	20,821	75,391
	Advertisement & business promotion	12,250	8,400
	Bank charges	12,225	11,828
	Printing & stationery expenses	10,691	15,053
	MVAT appeal fees	9,732	-
	CDSL E Voting fees	5,000	-
	Postage expenses	4,570	44,415
	Processing charges	2,657	163,996
	General expenses	2,500	5,000
	Labour welfare fund	624	1,014
	Provision for bad debts	19,566,000	-
	Total	25,939,801	10,154,015

23 Exceptional Items - OTS Expenses

	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
	OTS Expenses	29,605,397	4,426,620
	Total	29,605,397	4,426,620

NIWAS SPINNING MILLS LIMITED				
Notes forming part of accounts				(In Rupees)
24	Contingent liabilities not provided for in respect of:	31st March 2018	31st March 2017	1st April 2016
24.1	Claims against the company not acknowledged as debts:			
24.1.1	Disputed liabilities in respect of:			
	(a) Excise Duty	1,182,000	1,182,000	1,182,000
	(b) Income Tax- (Out of which Rs. 9.35 Lacs has already been paid /adjusted till the year under report).	1,287,948	1,018,000	1,018,000
	(c) Legal matters pending in the courts for claims made against the company against which deposit made with the courts Rs. 10,00,000/- (Previous year Rs. Nil)	4,360,000	-	-
	Both Excise & I.T. Liabilities are disputed and matter is sub-judiced under Allellate Tribunal and High Court respectively.			
	It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (a) and (b) above pending resolution of the legal proceedings. Further, the liability mentioned in (a) to (b) above excludes interest and penalty in cases where the company has determined that the possibility of such levy is remote.			
24.2	Bank Guarantees to E.P.C.G. excluding financial guarantees	83,556,000	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.			
25	Commitments			
	Estimated amounts of contracts remaining to be executed on capital account	2,749,400	612,000	-
26	In view of the closure of Pune and Ahmedabad Stock Exchanges, the shares of the company stands De-Listed.			
27	The Company has yet to comply with mandatory requirements of "De-materialisation" of its securities.			
28	The Secured loan of various banks and SICOM Ltd had been were negotiated under the One Time Settlement Scheme (OTS) after the defaults were made by the company due to heavy losses incurred in the previous years. Based on the OTS, the company has repaid the entire loans along with the interest thereon during the year. Hence there are no Property, plant and equipment and working capital assets secured against any financial liability as at the year end.			
29	Exceptional Items: Since the liability in respect of the interest on the above loans were not provided after the defaults were made and the accounts becoming NPA, the amount paid in excess of the loan liabilities have been separately disclosed as an exceptional item as One Time Settlement expenses amounting to	29,605,397	4,426,620	

30	Sundry Balance returned back (Refer Note 16)			
30.1	The Company had obtained Hire Purchase finance from Kirloskar Investment and Finance Limited ("KIFL") against which a financial liability of Rs.27,17,029 was outstanding since long. As the said KIFL had gone to liquidation and based on the various other factors, the management considered that there could not be any liability under the given circumstances. Accordingly, the same had been written back during the year.	2,717,029	-	
30.2	The company has also written back various current liabilities during the year amounting to	1,501,072	-	
31	In view of accounting as well as tax losses, no provision for taxation is considered necessary. Therefore no reconciliation with accounting profit with tax losses is applicable			
32	Deferred Tax Assets:			
	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.			
32.1	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:			
32.1.1.	On account of unused tax losses			
	Unabsorbed depreciation	42,012,008	50,215,338	49,068,131
	Business Loss	12,523,151	9,322,018	9,705,225
		54,535,159	59,537,356	58,773,356
32.2	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.			
32.3	Since no deferred tax assets are recognized in accordance with the IND AS 12, no reconciliation is required.			
33	Employee Benefits:			
	Since the company is not covered by the provisions of Payment of Gratuity Act, 1972, there is NIL liability in respect of gratuity.			
34	Earnings per Share :			
	(a) Net Profit/(loss) after tax for the year (used as numerator)	(48,102,038)	(7,121,746)	
	(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	(3.41)	(0.51)	
	(d) Diluted earning per share of face value of Rs. 10 each	(3.41)	(0.51)	

35	Segment Reporting:			
	The Company operates only in one segment, i.e Textiles			
35.1	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			
35.2	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			
35.3	The geographical information in respect of revenues from external customers			
	(a) attributed to the company's country of domicile and:	15,929,794	63,523,980	
	(b) attributed to all foreign countries in total from which the company derives revenues.	-	-	
35.4	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.	-	-	
35.5	The Company has 2 major external customers for yarn having transactions amounting to 10 per cent or more of its total revenues.	10,364,419	9,800,450	342,900
36	Managerial Remuneration:			
36.1	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:			
	Managing Director's Remuneration*	659,880	372,663	
	* including perquisites/allowances.			
37	Balances of Sundry Debtors, Sundry Creditors, Loans and Advances given, Secured & Unsecured loans are taken as per confirmation by the management.			
38	Excise Duty:			
	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 does not include any excise duty, nor any expenditure towards excise duty up to the period June 2018.			

39	Related party Disclosures			
39.1	Details of Related Parties			
	(a) Spinomat Textiles Pvt. Ltd. <i>A private company controlled by the relatives of the directors</i>			
	(b) Neeta Textiles <i>A proprietary firm of a relative of a director</i>			
	(c) Niwas Vitta Viniyog Pvt. Ltd. <i>A Private Limited Company in which relative of a director is director</i>			
39.2	Key Management Personal			
	(a) V.R. Jaju - Managing Director			
	(b) A.V. Jaju - Director			
39.3	Related party transactions:			
	(a) A private company controlled by the relatives of the directors			
	(i) Purchases	-	2,776,000	7,089,000
	(b) A proprietary firm of a relative of a director			
	(i) Interest Paid	600,000	1,315,000	1,800,000
	(c) Director			
	(i) Interest Paid	-	404,000	503,000
	(d) Compensation paid to key management personnel			
	Short Term Employment Benefit			
	(i) Remuneration Paid to Key Management Personnel	659,880	372,000	369,000
	(e) A Private Limited Company in which relative of a director is director			
	(i) Bad Debts Written Off	18,566,000	-	-
	(f) A private company controlled by the relatives of the directors			
	(i) Advance Receivable	2,374,188	2,616,000	5,392,000
	(e) A proprietary firm of a relative of a director			
	(i) Advance Against Supplies	3,863,660		
	(ii) Loans Taken	-	10,112,000	10,000,000
	(g) A Private Limited Company in which relative of a director is director			
	(i) Advance Receivable	-	18,566,000	18,566,000
	(h) Director			
	(i) Loans	-	39,000	1,421,000
39.4	The sales and purchases, services rendered to/from related parties and interest are made on terms equivalent to those that prevail in arms length transaction. Outstanding balances at the year end are unsecured and settlement occurs in cash.			
39.5	The Company has recorded impairment of receivables relating to amount owed by related parties and have written off.	18,566,000		
39.6	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.			
39.7	Details of financial guarantee provided to/ received from related party			
40	There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2018.			
41	The previous year I-GAAP figures have been reclassified / regrouped to make them comparable with Ind AS presentation.			

Niwas Spinning Mills Limited

Notes forming part of accounts

42 Reconciliation of Balance Sheet prepared under INGAAP with IND AS as at 31 March, 2017

(In Rupees)

	Particulars	Note No.	As per INGAAP as at 31 March 2017	Adjustments / Reclassification	As per IND AS as at 31 March 2017
	(1) ASSETS				
	(1) Non-current assets				
	(a) Property, Plant and Equipment		36,170,875		36,170,875
	(b) Financial Assets				
	(i) Investments		18,000	-	18,000
	(ii) Other financial assets	(a)	-	703,851	703,851
					-
	(2) Current assets				
	(a) Inventories		3,516,411	-	3,516,411
	(b) Financial Assets				
	(i) Trade receivables		3,170,482	-	3,170,482
	(ii) Cash and cash equivalents		110,884	-	110,884
	(iii) Other financial assets	(a)	23,534,925	(703,851)	22,831,074
	Total Assets		66,521,577	-	66,521,577
	EQUITY AND LIABILITIES				
	Equity				
	(a) Equity Share capital		140,893,930	-	140,893,930
	(b) Other Equity		(235,643,982)	-	(235,643,982)
	LIABILITIES				
	Non-current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings		38,861,632	-	38,861,632
	(b) Provisions		945,803	-	945,803
	Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings		14,301,095	-	14,301,095
	(ii) Trade payables	(b)	101,337,168	2,581,649	103,918,817
	(iii) Other financial liabilities				
	(b) Other current liabilities	(c)	-	2,974,334	2,974,334
	(c) Provisions	(b) and (c)	5,825,931	(5,555,983)	269,948
	Total Equity and Liabilities		66,521,577	-	66,521,577

(a) Security Deposits given to various public bodies were not likely to be returned within 12 months. Accordingly the same were reduced from current financial assets and reclassified to non current financial assets on adoption of IND AS.

(b) Liabilities due in respect of service received by the company were classified under provisions instead of Trade Liability Rs.25,81,649. The same is reclassified accordingly.

(c). Liabilities due in respect of outstanding expenses Rs. 22,57,914 and Statutory dues of Rs.716,420 aggregating to Rs. 29,74,334 were classified as provisions instead of as Other current liabilities. The same has been reclassified while adopting the IND AS.

Reconciliation of Balance Sheet prepared under INGAAP with IND AS as at 1 April 2016

(In Rupees)

Particulars	Note No.	As per INGAAP as at 1 April 2016	Adjustments / Reclassification	As per IND AS as at 1 April 2016
(1) ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment		40,835,905	-	40,835,905
(b) Financial Assets				
(i) Investments		18,000	-	18,000
(ii) Other financial assets	(a)	-	703,851	703,851
(2) Current assets				
(a) Inventories		5,283,386	-	5,283,386
(b) Financial Assets				
(i) Trade receivables		5,717,590	-	5,717,590
(ii) Cash and cash equivalents		255,894	-	255,894
(iii) Other financial assets	(a)	23,269,064	(703,851)	22,565,213
Total Assets		75,379,839	-	75,379,839
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		140,893,930	-	140,893,930
(b) Other Equity		(228,522,236)	-	(228,522,236)
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings		45,038,649	-	45,038,649
(b) Provisions		945,437	-	945,437
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings		15,116,479	-	15,116,479
(ii) Trade payables	(b)	93,274,993	1,184,518	94,459,511
(iii) Other financial liabilities				
(b) Other current liabilities	(c)	-	7,178,121	7,178,121
(c) Provisions	(b) and (c)	8,632,586	(8,362,639)	269,948
Total Equity and Liabilities		75,379,839	-	75,379,839

(a) Security Deposits given to various public bodies were not likely to be returned within 12 months. Accordingly the same were reduced from current financial assets and reclassified to non current financial assets on adoption of IND AS.

(b) Liabilities due in respect of service received by the company were classified under provisions instead of Trade Liability Rs.11,84,518. The same is reclassified accordingly.

(c) Liabilities due in respect of outstanding expenses Rs. 71,78,121 were classified as provisions instead of as Other current liabilities. The same has been reclassified while adopting the IND AS..

NIWAS SPINNING MILLS LTD

Notes forming part of accounts

43 Reconciliation of Profit and Loss prepared under INGAAP with IND AS for the year ended 31st March, 2017

	Particulars	Note No.	As per IGAAP	Adjustments / Reclassification	As per IND AS
I	Revenue from operations		63,523,980	-	63,523,980
II	Other income		3,073,681	-	3,073,681
III	Total Revenue (I+II)		66,597,661	-	66,597,661
IV	Expenses				
	Cost of Materials consumed	(a)	50,175,507	226,600	50,402,107
	Purchases of Stock-in-Trade		-	-	-
	Changes in inventories of finished goods, stock in trade & WIP		-	-	-
	Manufacturing Exp	(b)	10,277,880	(10,277,880)	-
	OTS reschedulement	(c)	4,426,620	(4,426,620)	-
	Employee benefits expense	(d)	-	1,141,573	1,141,573
	Administrative Expenses	(e)	1,232,480	(1,232,480)	-
	Finance costs	(f)	1,596,275	(11,828)	1,584,447
	Depreciation and amortization expense		6,010,645		6,010,645
	Other Expenses	(g)	-	10,154,015	10,154,015
	Total expenses		73,719,407	(4,426,620)	69,292,787
V	Profit/(loss) before exceptional items and tax (III-IV)		(7,121,746)		(2,695,126)
VI	Exceptional items (One Time Settlement)	(c)	-	4,426,620	4,426,620
VII	Profit/(loss) before tax (V-VI)		(7,121,746)		(7,121,746)
VIII	Tax expense:				
	(1) Current tax		-		-
	(3) Deferred tax		-		-
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		(7,121,746)		(7,121,746)
X	Profit/(loss) from discontinued operations		-		-
XI	Tax expense of discontinued operations		-		-
XII	Profit/(loss) from discontinued operations(after tax) (X-XI)		-		-
XIII	Profit/(loss) for the period (IX+XII)		(7,121,746)		(7,121,746)
XIV	Other Comprehensive Income		-		-
XV	Total Comprehensive Income for the period (XIII+XIV)		(7,121,746)		(7,121,746)

(a)Transportation costs incurred on Raw materials were classified as Manufacturing Cost which is reclassified as the raw material cost as the same is incurred on the raw materials Rs. 226,600/-

(b) The expenses classified as Manufacturing has been reclassified as no such classification is required under Schedule III. Accordingly the same are reclassified to the specific head of expenses in accordance with the Schedule III, Rs. 10,277,880/-

(c) The company has repaid the loans under default during the year and also in the previous year under the One Time Settlement Scheme (OTS) of the financiers. The amounts paid over the loan liabilities is classified under the head OTS to distinguish it from the regular interest payments. This was disclosed as a regular item in the previous year on the face of the Profit and Loss statement. As the same is an item of exceptional nature, it is reclassified under the head "Exceptional Items" - Rs.4,426,620/-

(d) Employee benefit expenses are required to be separately stated which were earlier classified under Manufacturing Expenses. Accordingly these expenses are reclassified under the head "Employee benefit expense" - Rs.1,141,573/-

(e) The expenses classified as Administrative Expenses has been reclassified as no such classification is required under Schedule III. Accordingly the same are reclassified to the specific head of expenses and remaining expenses under "Other Expennses" in accordance with the Schedule III, Rs. 1,232,840/-

(f) The Fincnace cost included Bank Charges which is not in the nature of borrowing costs. Accordingly the same is reclassified as a non financial cost and accordinlgy reclassified under the head "Other Expenses" , Rs. 11,828/-

(g) All the expenses classified under Manufacturing and Adminsitratve Expenses as per the accounts under INGAAP are reclassified to the specific head of expenses such as Employee Benefit expenses. The remaining expenses are reclassified under the head "Other Expenses" in accordance with Schedule III, Rs.10,154,115/-

NIWAS SPINNING MILLS LTD

Notes forming part of accounts

44 Effect of Ind AS adoption on Statement of Cash Flows for the year ended March 31,2017**(in Rupees)**

	Particulars	Note	As per I-GAAP	Ind AS adjustments / reclassification	As per Ind AS
	Net cash flows from operating activities	41.1	(276,800)	12,973,692	12,696,892
	Net cash flows from investing activities	41.1	1,728,065	(1,566,499)	161,566
	Net cash flows from financing activities	41.1	(1,596,275)	(11,407,193)	(13,003,468)
	Net increase/(decrease) in cash and cash equivalents		(145,010)	-	(145,010)
	Cash and cash equivalents as at 1st April, 2016		255,894	-	255,894
	Cash and cash equivalents as at 1st April, 2017		110,884	-	110,884

44.1 There is no overall impact as the adjustments are due to the reclassification of various items

NIWAS SPINNING MILLS LTD

Notes forming part of accounts

45(i) Financial Instruments classification by category

(a) The carrying value and fair value of financial instruments at the end of 31 March 2018 is as under:

(In Rupees)

	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 Comprehensive 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

(b) The carrying value and fair value of financial instruments at the end of 31 March 2017 is as under:

(In Rupees)

	Particulars	Note No.	At cost	At amortised Cost	At fair value through Profit or Loss	At fair value through Other Comprehensive Income (OCI)	Total Carrying Value 31 March 2017	Total Fair Value
	(1) ASSETS							
	Non-current financial assets							
	(i) Investments	2	-	-	-	-	-	-
	(ii) Other financial assets	3	-	-	-	-	-	-
	Current financial assets		-				-	
	(i) Trade receivables	5	-	3,170,482	-	-	3,170,482	3,170,482
	(ii) Cash and cash equivalents	6	-	110,884	-	-	110,884	110,884
	(iii) Other financial assets	7	-	22,831,074	-	-	22,831,074	22,831,074
	Total financial Assets		-	26,112,440	-	-	26,112,440	26,112,440
	(2) LIABILITIES							
	Non-current financial liabilities							
	(i) Borrowings	9	-	38,861,632	-	-	38,861,632	38,861,632
	Current financial liabilities						-	
	(i) Borrowings	11	-	14,301,095	-	-	14,301,095	14,301,095
	(ii) Trade payables	12	-	103,918,817	-	-	103,918,817	103,918,817
	Total financial liabilities		-	157,081,544	-	-	157,081,544	157,081,544

(c) The carrying value and fair value of financial instruments at the end of 1 April March 2016 is as under:

(In Rupees)

	Particulars	Note No.	At cost	At amortised Cost	At fair value through Profit or Loss	At fair value through Other Comprehensive Income (OCI)	Total Carrying Value 1 April 2016	Total Fair Value
	(1) ASSETS							
	Non-current financial assets							
	(i) Investments	2	-	-	-	-	-	-
	(ii) Other financial assets	3	-	-	-	-	-	-
	Current financial assets							
	(i) Trade receivables	5	-	5,717,590	-	-	5,717,590	5,717,590
	(ii) Cash and cash equivalents	6	-	255,894	-	-	255,894	255,894
	(iii) Other financial assets	7	-	22,565,213	-	-	22,565,213	22,565,213
	Total financial Assets		-	28,538,697	-	-	28,538,697	28,538,697
	(2) LIABILITIES							
	Non-current financial liabilities							
	(i) Borrowings	9	-	45,038,649	-	-	45,038,649	
	Current financial liabilities							
	(i) Borrowings	11	-	15,116,479	-	-	15,116,479	
	(ii) Trade payables	12	-	94,459,511	-	-	94,459,511	
	Total financial liabilities		-	154,614,639	-	-	154,614,639	-

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.

NIWAS SPINNING MILLS LTD.
NOTES FORMING PART OF ACCOUNTS

45(ii) Fair Value Measurement

(i) Fair Value hierarchy

Level 1 - Quoted Prices (Unadjusted) in active markets for identical assets or liabilities

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 (i.e. derived from price)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

**(ii) The following table presents fair value hierarchy of assets and liabilities measured at fair value :
As at 31 March 2018**

(in Rupees)

Particulars	Fair value	Fair Value measurement using		
		Level 1	Level 2	Level 3
Non Current Investments				
At carrying value	18,000			18,000

As at 31 March 2017

(in Rupees)

Particulars	Fair value	Fair value/measurement using		
		Level 1	Level 2	Level 3
Non Current Investments				
At carrying value	18,000			18,000

As at 31 March 2017

Particulars	Fair value	Fair value/measurement using		
		Level 1	Level 2	Level 3
Non Current Investments				
At carrying value	18,000			18,000

Note: In absence of fair availability of fair value, the carrying cost of the investment is considered as fair value

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
The Company has exposure to the following risks arising from financial instruments: - credit risk; - liquidity risk; and - market risk			

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 properly 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	-	-	-
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 at unit level and monitored through caproate office 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 in major currencies and 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.	

(a) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:			
Floating rate	Not available	Not available	Not available
Expiring within one year (bank overdraft and other facilities)	All the loans are in default		
Expiring beyond one year (bank loans)	-	-	-

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time. However due to default, all the loans have been recalled by the bank	
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(b) 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 2018	Contractual cash flows				
		Total	2 months or less	2–12 months	1–5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings						
Short term borrowings						
Trade payables						
Other current financial liabilities						
Total non-derivative liabilities						

Derivatives (net settled)						
Foreign exchange forward contracts	-	-	-	-	-	-
Total derivative liabilities	-	-	-	-	-	-

	Carrying Amounts 31 March 2017	Contractual cash flows				
		Total	2 months or less	2–12 months	1–5 years	More than 5 years

Non-derivative financial liabilities

Borrowings						
Short term borrowings						
Trade payables						
Other current financial liabilities						
Total non-derivative liabilities						

Derivatives (net settled)

Foreign exchange forward contracts	-	-	-	-	-	-
Total derivative liabilities	-	-	-	-	-	-

	Carrying Amounts 1 April 2016	Contractual cash flows				
		Total	2 months or less	2–12 months	1–5 years	More than 5 years

Non-derivative financial liabilities

Borrowings						
Short term borrowings						
Trade payables						
Other current financial liabilities						
Total non-derivative liabilities						

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. The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.						
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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 risk on account of foreign exchange. All such transactions are carried out within the guidelines set by the Risk Management Committee.						
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Currency risk

The Company does not have any currency risk as there are no foreign currency transactions entered in to by the company					
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Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows(amounts in crores)	Nil
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Sensitivity analysis

A reasonably possible strengthening (weakening) of the Rs. against all currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.	Not Applicable since there are no foreign currency transaction
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Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March 2018, 31 March 17 and 31 March 2016, the Company's borrowings at variable rate were denominated in Rs. However, due to default in the repayment of loans, there is no interest risk exposure to the company.						
Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.						

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.						
				Nominal Amount		
				31 March 2018	31 March 2017	1 April 2016
Fixed-rate instruments						
Financial assets				0	0	0
Financial liabilities					0	0
				0	0	0
Variable-rate instruments						
Financial assets				0	0	0
Financial liabilities						
				0	0	0

				31 March 2018		
				Average interest rate	Balance	% of total loans
Bank loan						

				31 March 2017		
				Average interest rate	Balance	% of total loans
Bank loan						

				1 April 2016		
				Average interest rate	Balance	% of total loans
Bank loan						

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

			Profit or loss		Equity, net of tax	
			50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
31 March 2018						
Variable-rate instruments						
Cash flow sensitivity						
31 March 2017						
Variable-rate instruments						
Cash flow sensitivity						

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.	
A change of 50 basis points in interest rates would have increased or decreased equity by Rs.0 after tax (Previous year Rs. 0). This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.	

NIWAS SPINNING MILLS LTD

Notes forming part of accounts

Disclosure pursuant to IND AS - 12 "Income Taxes"
47 Reconciliation of Profit and Loss prepared under INGAAP with IND AS for the year ended 31st March, 2017

(In Rupees)

	Particulars	As at 31 March 2018	As at 31 March 2017
47.1	Major components of tax expenses		
47.1.1	In the statement of Profit and Loss		
	(a) Current Income Tax:		
	(i) Current Income Tax exp.	-	-
	(ii) Tax expenses for prior periods	-	-
	(b) Deferred tax:		
	(i) Tax expenses on origination and reversal of temporary differences	-	-
	(ii) Effect of previously unrecognised tax losses used to reduce tax expenses	-	-
		-	-
	Income tax expenses reported in the statement of profit and loss	-	-
47.1.2	In the Other Comprehensive Income (OCI) section of statement of Profit and Loss:		
	(a) Items not to be reclassified to profit and loss to subsequent periods:	-	-
	(b) Items to be reclassified to profit and loss to subsequent periods:	-	-
	Income tax reported in Other Comprehensive Income	-	-
47.1.3	In Retained earnings:		
	(a) Current Income Tax	-	-
	(b) Deferred tax	-	-
	Income tax reported in retained earnings	-	-

47.2	Reconciliation of tax expenses and the accounting profit multiplied by tax rate applicable	For the year ended 31 March 2018	For the year ended 31 March 2017
	(a) Profit before tax	(48,102,038)	(7,121,746)
	(b) Corporate tax rate as per Income tax Act 1961	25.75%	30.90%
	(c) Tax on accounting profit (c = (a*b)), since loss	-	-
	(d) Tax on income exempt from tax :		
	(i) Dividend income	(258)	(309)
	(ii) Tax on income on sale of assets (net)		
	(A) Accounting profit on sale of assets considered separately	(1,516,686)	
	(B) Deemed short term capital gain working under income tax	2,468,641	
	(iii) Tax on expenses not deductible		
	(A) for delay in/non payment of statutory dues	1,166	28,232
	(B) for non deduction of TDS	2,052,158	132,888
	(C) for provision for bad debts	5,038,245	
	(D) for other disallowances	-	1,570
	(iv) Tax on difference in depreciation amount;	554,740	710,082
	Total effect of tax adjustments (i) to (iv)	8,598,007	872,462
	(e) Tax expenses recognised during the year = e = (c-d)	-	-
	(i) Effective tax rate	-	-

47.3	(i) Unused tax losses for which no deferred tax assets is recognised in Balance sheet	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
	(i) Tax losses on which no tax asset is created (Base amount)			
	(ii) Deferred tax thereon			
	(iii) Expiry date (Assessment Year)			
	(ii) Unrecognised deductible temporary differences for which no deferred tax asset is recognised in Balance Sheet	-	-	

47.4	Components of deferred tax (assets) and liabilities recognised in the Balance sheet and Statement of Profit and Loss	In the Balance sheet			In the Statement of Profit and Loss	
		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	For the year ended 31 March 2018	For the year ended 31 March 2017
	(i) Disallowance under section 40	-	-	-	-	-
	(ii) Disallowance under section 40A	-	-	-	-	-
	(iii) Disallowance under section 43B	-	-	-	-	-
	(iv) Provision for bad and doubtful debts	-	-	-	-	-
	(v) Difference between book and tax depreciation	-	-	-	-	-
	(vi) Difference between book profit and tax profit on sale of property, plant and Equipment	-	-	-	-	-
	(vi) Unabsorbed business losses originating in one tax year and eligible for reversal in subsequent tax years	-	-	-	-	-

47.5	Rconciliation of deferred tax assets/liabilities	As at 31 March 2018	As at 31 March 2017
	(i) Opening balance as at 1 April, 2016	-	-
	(ii) Tax expenses/income recognised during the period in:		
	(a) Statement of Profit and Loss under Profit and loss section	-	-
	(b) Statement of Profit and Loss under Other Comprehensive income	-	-
	(c) retained earnings	-	-
	Balance at the year end	-	-

48 The Loans & Advances whether debit or credit and any other balances whether debit or credit are subject to confirmations.

49 Debtors/Creditors are shown net of advances from/ to customers/ Suppliers and are subject to confirmation.

50 Earnings in Foreign Currency for the current year is "NIL"

51 Expenditure in Foreign Currency for the current year is "NIL"

52 Figures for the previous year have been re-grouped, rearranged and reclassified wherever considered necessary in correspondence with the current year.

NIWAS SPINNING MILLS LTD.
Statement of Changes in Equity for the year ended 31st March 2018
(a) Equity

Particulars	Equity Shares					
	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number	Rs.	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	14,089,393	140,893,930	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	14,089,393	140,893,930

(b) Other Equity
(In Rupees)

Particulars	Reserves and Surplus				Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings (Surplus as per Profit & Loss)	
As at 1 April 2016					
Balance at the beginning of the reporting period	26,222,030	231,718,150	8,278,946	(548,429,818)	(282,210,692)
Additions /(deductions) during the year	-	-	-	53,688,456	53,688,456
Balance at the end of the reporting period	26,222,030	231,718,150	8,278,946	(494,741,362)	(228,522,236)
As at 31 March 2017					
Balance at the beginning of the reporting period	26,222,030	231,718,150	8,278,946	(494,741,362)	(228,522,236)
Additions /(deductions) during the year	-	-	-	(7,121,746)	(7,121,746)
Balance at the end of the reporting period	26,222,030	231,718,150	8,278,946	(501,863,108)	(235,643,982)
As at 31 March 2018					
Balance at the beginning of the reporting period	26,222,030	231,718,150	8,278,946	(501,863,108)	(235,643,982)
Additions /(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 per our report of even date

For R K Patni & Co.

Chartered Accountants

Firm Regd. No. 131257W

For & on behalf of the board of directors
R K Patni

Proprietor

Membership No. 43947

Place : Camp - Solapur

Date : 30th May 2018

V. R. Jaju

Managing Director

DIN 00081475

Place : Solapur

Date : 30th May 2018

A. V. Jaju

Director

DIN 02625781

NIWAS SPINNING MILLS LIMITED

53. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

GENERAL INFORMATION:

Niwas Spinning Mills Limited ("the Company"), is a public company domiciled in India and was incorporated on 19/04/1984 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) of 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 & A-5 and A-8 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 for the year ended 31 March 2018 are the first financial statement under Ind AS. For all periods upto and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended 31 March 2017 and the opening Balance Sheet as at 1 April 2016 have been restated in accordance with Ind AS for comparative information. The Company followed the provisions of Ind-AS 101 in preparing its opening Ind AS Balance Sheet as of the date of transition i.e 1st April 2016.

Reconciliations and explanations of the effect of the transition from previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss (including Comprehensive income) and Statement of Cash Flows are provided in note nos. 42, 43 and 44

These financial statements were approved for issue in accordance with the resolution of the Board of Directors as per its meeting held on 29th May 2018.

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 judgements

In preparing these financial statements, management has made judgements, 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 and 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:-

E. 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 reviews 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 asset or liability that are 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 ACCOUNTING POLICIES:

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:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the reporting date; or
- d) 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.

B. 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.

C. 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 upto 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.

D. 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.

E. Research and 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.

G. 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.

ii. 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.

iii. 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.

H. 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.

I. 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.

J. 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.

K. 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.

L. 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.

ii. 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.

iii. 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.

N. 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.

O. Contingent Assets

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

P. Revenue recognition

Revenue is recognised based on nature of activity when consideration can be reasonably measured and recovered with reasonable certainty. Revenue is measured at the fair value of the consideration received or receivable and is reduced for estimated customer returns, rebates and other similar allowances.

(i) Revenue from operations

Revenue includes excise duty if applicable but excludes Goods and Services Tax (GST) and Value Added Tax.

Escalation and other claims, which are not ascertainable/acknowledged by customers are not taken into account.

A. Sale of goods

Revenue from the sale of manufactured and traded goods is recognised when the goods are delivered and titles have been passed, provided all the following conditions are satisfied:

1. significant risks and rewards of ownership of the goods are transferred to the buyer;
2. the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the good sold;
3. the amount of revenue can be measured reliably;
4. it is probable that the economic benefits associated with the transaction will flow to the company; and
5. the costs incurred or to be incurred in respect of the transaction can be measured reliably.

B. Rendering of services

Revenue from rendering of services is recognised when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

1. the amount of revenue can be measured reliably;
2. it is probable that the economic benefits associated with the transaction will flow to the company;
3. the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
4. the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Stage of completion is determined by the proportion of actual costs incurred to-date, to the estimated total costs of the transaction

Unbilled revenue represents value of services performed in accordance with the contract terms but not billed. Such revenue is measured as based on the stage of completion of service.

C. Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

(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 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 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, unrealised 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.

X. 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.

Y. First time adoption of Ind AS

The company has prepared opening Balance Sheet as per Ind AS as of April 1, 2016 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from I-GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities. The exemptions availed by the company under Ind AS 101 are as follows:

- (i) The company has adopted the carrying value determined in accordance with I-GAAP for all of its property plant & equipment and investment property as deemed cost of such assets at the transition date.
- (ii) The estimates as at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with I-GAAP.

Z. Effect of new/amended Ind AS

The company has prepared opening Balance Sheet as per Ind AS as of April 1, 2016 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from I-GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities. The exemptions availed by the company under Ind AS 101 are as follows:

(i) Ind AS 115 Revenue from Contracts with Customers Ind AS 115 was issued on 29 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer..

The new revenue standard will supersede all current revenue recognition requirements under Ind AS and the guidance note of real estate issued by ICAI.

Ind AS 115 is applicable to the Company for annual periods beginning on or after April 1, 2018.

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

- i. Ind AS 21 – The Effects of Changes in Foreign Exchange Rates
- ii. Ind AS 40 – Investment Property
- iii. Ind AS 12 – Income Taxes
- iv. Ind AS 28 – Investments in Associates and Joint Venture and
- v. Ind AS 112 – Disclosure of Interests in Other Entities

Applications of above standards are not expected to have any significant impact on the Group's Financial Statements.

For R K Patni & Co.
Chartered Accountants
Firm Regd. No. 131257W

For & on behalf of the board of directors

R K Patni
Proprietor
Membership No. 43947
Place : Camp - Solapur
Date : 30th May 2018

V. R. Jaju
Managing Director
DIN 00081475
Place : Solapur
Date : 30th May 2018

A. V. Jaju
Director
DIN 02625781