



## KATARE SPINNING MILLS LIMITED

REG. OFF. - "KAMALA" 1st FLOOR, 259 SAKHAR PETH,  
SOLAPUR - 413 005.

MILL - "KAMALA NAGAR", TAMALWADI. Tal. TULJAPUR.

DIAL - 2623981, 2628581,

MILL - 02471- 265027 - 28

FAX - 91-0217-2624981

MILL FAX - 02471-265028

Email : kamala.katare@gmail.com

Ref.No.KSM-51/2016-2017.

Date 30.05.2015

The Secretary,  
The Stock Exchange Ltd.,  
Phiroz Jeejeebhoy Towers,  
Dalal Street,  
**MUMBAI-400 001.**

Re : **Annual Audited Financial Results.**

Dear Sirs,

We are sending herewith Annual Audited Financial Results for the period ended as on 31.03.2016 for your kind persual, information and records please.

Kindly acknowledge,

Thanking You,

Yours Faithfully,

For **Katare Spinning Mills Ltd.,**

**Authorised Signatory.**

Encl : a/a

# KATARE SPINNING MILLS LTD.

Reg. Office :- 259, Sakhar Peth, SOLAPUR- 413 005

## AUDITED FINANCIAL RESULTS.

FOR THE YEAR ENDED		31.03.2016 (Rs. In lacs.)	
Sr. No.	Description	Year Ended.	
		31.03.2016 Current Year (Audited)	31.03.2015. Previous Year (Audited)
1. Income from Operations.			
	(a) Net Sales / Income from Operation. (Net of Excise duty)	3292.64	3557.76
	(b) Other Operating Income	36.54	30.16
	Total Income from Operations. (Net)	3329.18	3587.92
2. Expenses..			
	a. Cost of Materials Consumed.	633.46	880.24
	b. Purchase of stock in trade.	1982.40	2003.12
	c. Changes in inventories of finished goods, W..I.P.	5.15	51.32
	d. Employee Benefits Expenses.	227.03	254.41
	e. Deprecation and amortisation expenses.	108.86	36.71
	f. Other Expenditure.	404.33	400.69
	Total Expenses.	3361.23	3626.49
3. Profit from Operations before other income,Int.,Excp.			
		-32.05	-38.57
4. Other Income.			
		0.00	73.77
5. Profit before Interest and Exceptional items.			
		-32.05	35.20
6. Finance Costs.			
		319.15	168.45
7. Profit after interest but before Exceptional items.(5-6)			
		-351.20	-133.25
8. Exceptional Items.			
		222.83	1.35
9. Profit(+)/Loss(-) from Ordinary activities before tax			
		-128.37	-131.90
10. Tax Expense.			
		-94.40	-176.44
11. Profit(+)/Loss(-) from Ordinary activities after tax			
		-33.97	44.54
12. Extra ordinary Item (Deferred Interest)			
		0.00	0.00
13. Net Profit / - Loss for the period.			
		-33.97	44.54
14. Share of Profit or Loss of Associates.			
		0.00	0.00
15. Minority Interest.			
		0.00	0.00
16. Net Profit / - Loss after taxes, Min.Interest. Loss of Assoc.			
		-33.97	44.54
17. Paid up equity share capital.			
		285.00	285.00
18. Reserve excl. Revaluation Reserve.			
		174.35	208.33
19. i) Earnings per Share. (Before extra ord. items. )			
	- Basic	0	1.56
	- Diluted.	0.00	0.00
19.ii) Earnings per Share. (after extra ord. items. )			
	- Basic	0.00	1.56
	- Diluted.	0	0.00


Notes : 1. The above financial results were taken on record by the Board of Directors in the meeting held on 30.05.2016.

2. There are no complaints received from shareholders of the company.

Place :- Solapur

Date :- 30.05.2016



For Katare Spg. Mills Ltd  
  
 Authorised Signatory

**G. M. PAWLE**  
Chartered Accountant  
276, Sakhar Peth,  
Ganesh Complex,  
Solapur.- 413 005.

Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To  
Board of Directors of Katare Spinning Mills Ltd

I have audited the quarterly financial result of Katare Spinning Mills Ltd for the quarter ended 31/03/2016 and the year to date results for the period 01/04/2015 to 31/03/2016, attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. My responsibility is to express an opinion on these financial results based on my audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS25/Ind AS34), prescribed, under section 133 of the Companies Act, 2013 read with relevant rules issued there under; or by the Institute of Chartered Accountant of India, as applicable and other accounting principles generally accepted in India.

I conducted my audit in accordance with the auditing standards generally accepted in India. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by managements. I believe that my audit provides a reasonable basis for my opinion.

In my opinion and to the best of my information and according to the explanations given to me these quarterly financial results as well as the year to date results.

- (i) Are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard: and

**Basis for qualified Opinion**

- a. As stated in Note No. 15 to the accounts, the Company has included in other non-current assets a sum of Rs. 428.00 lacs as deferred interest expenditure. In the past the Company had availed a term loan ICICI Bank Ltd (which was under OTS with them) which was subsequently assigned by ICICI to Kotak Mahindra Bank Ltd. Consequent upon assignment The Kotak Mahindra Bank Ltd filed suit against the Company in DRAT for recovery. The Company has settled the said loan with Kotak Mahindra Bank Ltd for an agreed amount of Rs. 750 lacs of which Rs. 325 lacs was deposited before DRAT and Rs. 425 lacs is paid on or before 31/05/2013. Accordingly no loan balance is now outstanding.



- b. The Company had a transferred balance in Capital Reserve of Rs. 150 lacs when the loan was settled with ICICI Bank Ltd. The said balance is then reversed from Capital Reserve and the balance Rs. 600 lacs represented the amount of interest from the year 2002 to the date of settlement. The Company has deferred this interest amount of Rs. 600 lacs to be written off over a period of 7 years and have accordingly charged Rs. 172.00 lacs in the two years (2012-2013 & 2013- 2014) but has not charged Rs. 172.00 lacs to the statement of profit and loss for the year under audit (Rs. 86.00 lacs for the year under review and Rs. 86.00 lacs in the preceding year 2014-15) and balance Rs. 256.00 lacs should have been remained to be carried forward as deferred revenue expenditure.
- c. Trade Receivables to the extent of Rs. 3.60 lacs and other current assets/advances of Rs. 87.12 lacs aggregating to Rs. 90.72 lacs are bad for which no provision is made in the accounts as referred to in Note No.17 and Note No.20 in the notes on accounts
- d. Had the items reported in (b) and (c) above been charged to the statement of profit and loss, the loss for the year of Rs. 128.37 lacs would have been increased by Rs. 518.72 lacs resulted into loss of Rs. 647.09 Lacs. To that extent it has resulted into overstatement of year end net Current Assets and Reserves and Surplus by Rs. 647.09 lacs.
- e. No provision is made for payment for gratuity on actuarial basis as on 31<sup>st</sup> March 2016 hence its impact on the net profit could not be ascertained as referred to Note No. 27(b) in the notes on accounts.
- (ii) Except for the effects of the matter described in the Basis for Qualified opinion paragraph, give a true and fair view for the net loss and other financial information for the quarter ended 31/03/2016 as well as the year to date results for the period from 01/04/2015 to 31/03/2016.

For G. M. Pawle  
Chartered Accountant,

  
G. M. Pawle  
Proprietor  
ICAI Membership No.: 032561  
Solapur, 30<sup>th</sup> May, 2016



## ANNXURE X

## FORM B .

1.	Name of the company	KATARE SPINNING MILL LTD
2.	Annual financial statement for the year ended	31 <sup>st</sup> March,2016
3.	Type of Audit qualification	Modified opinion.
4.	Frequency of qualification	Repetative.
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>1. The outstanding debtors which auditor has considered as doubtful include amounts due from Semi- Government Agency of Rs. 87.12 Lacs and management is hopeful of its recovery. Hence it is not written off.</p> <p>2. Company has incurred loss in the past and charging of deferred interest to profit and loss account would further increase the loss. Company anticipates good result in ensuing year in which situation the entire amount is proposed to be written off.</p>
	Additional comments from the board/audit committee chair:	No.
5.	Managing Director.	  Kishore T Katare (Din No. 00645013)
	Auditor of the company	  G. M. Pawle Chartered Accountant (M No. 032561)