



## 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

CIN:L17119PN1980PLC022963

Ref/KSM/125/17-18

27<sup>th</sup> September, 2017

To,  
The Compliance Officers,  
Bombay Stock Exchange Limited  
Floor 25, P.J. Tower, Dalal Street,  
**Mumbai- 400 001**

**BSE Scrip Code- 502933**

**Sub:- Submission of Annual Report for the year 2016-17 under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Madam/Sir,

The 37<sup>th</sup> Annual General Meeting of the Company was held on 27<sup>th</sup> September, 2017 and in respect to that we are enclosing herewith the following documents in respect to above mentioned subject;

Annual Report for the year 2016-17 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your Kind information and records.

Thanking You  
Yours faithfully,

**FOR KATARE SPINNING MILLS LIMITED**

**KISHORE KATARE**  
**MANAGING DIRECTOR**  
(DIN: 00645013)

# Katare Spinning Mills Ltd.

CIN- L17119PN1980PLC022962

37<sup>th</sup> ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED  
ON 31<sup>ST</sup> MARCH, 2017

## CORPORATE INFORMATION BOARD OF DIRECTORS

Name of Director	Designation	DIN
Shri. Kishore T Katare	Managing Director	00645013
Shri. Subhash T Katare	Director	00685066
Mrs. Vidyavati K Katare	Director	01443784
Shri. Umakant Mahindrakar	Director	01233305
Shri. Suresh B Inamdar	Independent Director	00692775
Shri. Yadgiri N konda	Independent Director	00692800

### **REGISTERED OFFICE**

"KAMALA" 259, Sakhar Peth,  
Solapur – 413 005

### **SPINNING MILL**

Kamalanagar, Tamalwadi – 413 601  
Tal: Tuljapur- Dist. Osmanabad

### **HOTEL TRIPURSUNDARI**

Civil Lines, Solapur- 413 001

### **SOLAR POWER PROJECT**

Kamalanagar, Tamalwadi – 413 601  
Tal: Tuljapur- Dist. Osmanabad

### **STATUTORY AUDITOR**

N. R. Waghchaure & Associates  
Chartered Accountants  
16-22, Royal Plaza, Behind Bhagwat Petrol Pump,  
Murarji Peth, Solapur- 413 001.

### **SECRETARIAL AUDITORS**

NIKHIL SAWANT & CO.  
Company Secretaries  
8/176, Health Camp, Pandavnagar,  
Pune – 411 016

### **BANKERS**

Bank of India,  
Main Branch, Solapur – 413 002.

### **REGISTRAR & SHARE TRANSFER AGENTS**

Link Intime India Pvt Ltd.,  
Akshay Complex, Block No. 202, 2<sup>nd</sup> Floor,  
Opp. Dhole Patil Road,  
Pune – 411 001  
E-mail: pune@intimespectrum.com

### **DATE, TIME AND VENUE OF AGM**

#### **37<sup>th</sup> Annual General Meeting**

Wednesday, 27<sup>th</sup> September, 2017 11.00 a.m. (I.S.T.)

KATARE SPINNING MILLS LIMITED

Add: Hotel Tripursundari, 224, Civil Lines, Solapur-413 001.

#### **Remote e-voting Period:**

From 9.00 a.m. on Sunday, 24<sup>th</sup> September, 2017

Till 5.00 p.m. on Tuesday, 26<sup>th</sup> September, 2017

## Katare Spinning Mills Ltd.

### **NOTICE**

Notice is hereby given that 37<sup>th</sup> Annual General Meeting of the Members of the Company will be held on Wednesday, the 27<sup>th</sup> September, 2017 at 11.00 a.m. (I.S.T.) at Hotel Tripursundari, 224, Civil Lines, Solapur- 413 001 to transact, the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2017 and Statement of Profit and Loss and cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and the Auditors of the Company.
2. To re-appoint Mrs. Vidyavati K Katare (DIN 01443784), who retires by rotation and being eligible, seeks re-appointment.

“RESOLVED THAT, pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. Vidyavati K Katare (DIN 01443784), who retires by rotation at this meeting and being eligible offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

3. To appoint the Statutory Auditor in terms of Section 139 of the Companies Act, 2013 and fixing their remuneration.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT, pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of Companies Act, 2013, read with Rule 6 of Companies (Audit and Auditors) Rules, 2014 (Including any modification or re-enactment thereof, for the time being in force), and pursuant to the recommendation of the Audit Committee, M/s N. R. Waghchaure & Associates, Chartered Accountants, (Firm Registration Number 114999W), be and is hereby appointed as the Statutory Auditors of the Company for a term of 5 years in place of retiring auditor Mr. G. M. Pawale, Chartered Accountants (Membership Number 032561), to hold office from the conclusion of this 37<sup>th</sup> Annual General Meeting until the conclusion of the 42<sup>nd</sup> Annual General Meeting to be held in year 2022, subject to ratification by members every year, as applicable, at such remuneration and out of pocket expenses and other expenses as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

“RESOLVED FURTHER THAT, to give effect to above resolution, the Board of Directors of the Company be and is hereby authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary in this behalf.”

By Order of the Board of Directors  
**KATARE SPINNING MILLS LIMITED**

SD/-  
KISHORE KATARE  
Managing Director  
(DIN No.-00645013)

Place: Solapur  
Date: 14<sup>th</sup> August, 2017

## Katare Spinning Mills Ltd.

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The proxy as per the format given in Annual Report should be duly filed, stamped, signed and received by the Company at its Registered Office not less than 48 hours before the time for holding the meeting.
3. Member/proxies should bring duly-filed Attendance Slips sent herewith to attend the meeting.
4. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the AGM.
5. The Register of Members and the Transfer Books of the Company will be closed from 22<sup>nd</sup> September 2017 to 27<sup>th</sup> September 2017 (both days are inclusive).
6. Members are requested to notify the changes in their Address, Bank Details, E-mail etc. if any, to the Companies Registrar and Transfer Agents. Shareholders should quote their folio numbers/DP ID in all their correspondence with the Company and the Registrar and Transfer agents.
7. As per Securities and Exchange Board of India (SEBI) notification, submission of Permanent Account Number (PAN) is compulsorily required for participating in the securities market, deletion of name of deceased share holder or transmission/transposition of shares. Members holding shares in dematerialized mode are requested to submit their PAN details to the Depository Participant, Whereas Members holding shares in physical form are requested to submit their PAN details to the Companies Registrars and Transfer Agents.
8. The company has de-materialized its equity shares to CDSL and NSDL and Company's ISIN Number is INE498G01015. Members who have shares in physical form, are requested to de-materialize their shares.
9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. Members who hold the shares in electronic form, are requested to intimate details regarding change of address, etc. to the Depository Participants, where they have their Demat accounts.
11. Members may avail of the facility of dematerialization by opening Demat accounts with the Depository Participants of either National Securities Depository Limited or Central Depository Services (India) Limited and get equity share certificates held by them in dematerialized.
12. Members, who hold shares in electronic form, are requested to bring their Client Id and DP Id for easy Identification.
13. The Notice of the AGM along with the Annual Report of FY 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Link Intime India Private Limited/Depositories.
14. Since the securities of the Company are compulsorily tradable in electronic form, to ensure better investor service and elimination of risk of holding securities in physical form, it is requested that the members holding shares in physical form to get their shares in dematerialization at the earliest.

## Katare Spinning Mills Ltd.

15. In case members wish to ask any information about accounts or operations of the company, they are requested to send their queries in writing at least 10 days before the date of the meeting, so that the information can be made available at the time of the meeting.
16. Members / proxies are requested to bring their attendance slip duly filled in and also, bring their copy of the Annual report for the meeting.
17. Members having multiple folios are requested to intimate to the Company such folios to enable the company to consolidate all shareholdings into one folio.
18. Pursuant to the provisions of Section 108 of the Companies Act, 2013 and the Companies (Management and Administrations) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements), 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Link Intime India Private Limited, on all the resolutions set forth in this Notice.
19. Route Map showing directions to reach to the venue of the 37<sup>th</sup> AGM is given at the end of this Notice as per the requirement of the Secretarial Standards-2 on "General Meeting."

**20. Green Initiative in the Corporate Governance – Registration of email address.**

The Members are requested to register email address with the Depository Participant / The Registrar and Share Transfer Agent of the Company, i. e. Link Intime Private Limited, as the case may be, for service of documents.

**Information and other instructions relating to e-voting are as under:-**

- a. The facility for voting through ballot paper shall be made available at the AGM to the members attending the meeting. The members, who have not cast their vote by remote e-voting, shall be able to exercise their right to vote at the meeting through ballot paper.
- b. Members can also exercise their voting rights through ballot form annexed with the Notice and the duly filled and signed ballot form be sent to the scrutinizer, Mr. G. N. Pawar, Solapur at the registered office of the Company or to his Email Id [gnpawar@gmail.com](mailto:gnpawar@gmail.com), so as to reach by 5.00 P.M. on 26<sup>th</sup> September, 2017.
- c. The detailed instructions for voting through Ballot paper is annexed herewith separately.
- d. The Members, who have cast their vote by remote e-voting prior to the AGM, they can attend the AGM but shall not be entitled to cast their vote again.
- e. The remote e-voting period commences on 24<sup>th</sup> September, 2017 (9.00 am) and ends on 26<sup>th</sup> September, 2017 (5.00 pm). During this period the members of the company, holding shares either in physical form or in dematerialized form, as on the cut-off (Record) date of 21<sup>st</sup> September, 2017 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting after 5.00 pm on 26<sup>th</sup> September, 2017. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- f. The notice of 37<sup>th</sup> Annual General Meeting and instructions for e-voting, along with the attendance slip and Proxy Form, is being sent by electronic mode to all members whose e-mail addresses are registered with the Company/Depository participant (s) unless a member has requested for a hard copy of same. For members who have not registered their e-mail addresses, physical copies of the aforesaid documents are being send by the permitted mode.
- g. Members may please note the contact details of the Company's Registrar and Transfer Agents, Link Intime India Pvt. Limited., Akshay Complex, Block No. 202, 2<sup>nd</sup> Floor Opp. Dhole Patil Road, Pune – 400 001. Email-id: [pune@linkintime.co.in](mailto:pune@linkintime.co.in).

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### **The instructions for shareholders voting electronically are as under:**

1. The voting period begins on 24.09.2017, 09.00 A.M. (IST) and ends on 26.09.2017, 05.00 P.M. (IST) During this period the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off (Record) date of 21.09.2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
3. Click on Shareholders.
4. 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.
5. Next enter the Image Verification as displayed and Click on Login.
6. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
7. If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field</li></ul>
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. <ul style="list-style-type: none"><li>• 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 the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li></ul>

8. After entering these details appropriately, click on "SUBMIT" tab.
9. Members holding shares in physical form will then directly reach 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.
10. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
11. Click on the EVSN for the relevant KATARE SPINNING MILLS LTD. on which you choose to vote.

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12. 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.
13. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
14. 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.
15. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
16. You can also take print out of the voting done by you by clicking on “Click here to print” option on the Voting page.
17. 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.
18. **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 users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
19. 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](http://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](mailto: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) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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 favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
20. 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](http://www.evotingindia.com), under help section or write an Email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

By Order of the Board of Directors  
**KATARE SPINNING MILLS LIMITED**

Place: Solapur  
Date: 14<sup>th</sup> August, 2017

SD/-  
KISHORE KATARE  
Managing Director  
(DIN No.-00645013)

# Katare Spinning Mills Ltd.

## DIRECTOR'S REPORT

To the Members,  
Of Katare Spinning Mills Limited

Your Director's have pleasure in presenting their **37<sup>th</sup> Annual Report** of the Company together with its Audited Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2017 and the Balance Sheet as on that date.

### 1. Financial Highlights

(Rs. In lacs)

Particulars	2016-17	2015-16
Turnover	3608.24	3549.10
Profit Before Interest & Depreciation	48.20	296.73
Less : Interest	305.70	319.15
Loss before depreciation	-257.50	-22.42
Less : Depreciation	110.35	108.86
Loss after depreciation & before taxation	-367.85	-131.28
Add : Excess provision in the last year	0.76	2.91
Less: Tax expenses relating to previous year	9.52	0.00
Add/Less: Deferred Tax Liability/Assets	115.33	94.40
Profit / loss for the period	-261.28	-33.97
Add : Balance carried from previous year	112.96	146.92
Amount available for appropriation	0	112.96
Profit carried forward	-148.33	112.96

### 2. STATE OF AFFAIRS OF THE COMPANY/BUSINESS OVERVIEW

#### SPINNING MILL INDUSTRY

In general, the performance of the cotton yarn industry depends upon the swings of demand by the market forces which closely track the economic trend. The exception to this rule is, the demand for specialty cotton yarn which is consistent and growing. On bouncing of economic conditions, the demand trend is expected to be more positive for the current year even for normal segment of cotton yarn and that would drive more demand for specialty cotton yarn.

#### SOLAR POWER PROJECT

The Company has already Commissioned Rooftop Solar Power Project at Hotel and has getting good benefit by way of reduction in monthly electricity bills of the Hotel as usual.

Considering the involvement of power part in the cost of finished goods, the Company has set up 1 MW power project for captive consumption and accordingly, pleased to inform you that the Company has successfully commissioned 1 MW Solar Power plant for captive consumption in the month of April, 2015. This is the first net metering installation in the Maharashtra. During the financial year total 14,32,808 electricity units have been generated and it helps the Company to save in electricity bill substantially.

### 3. ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, is furnished in MGT-9 and is attached to this Report.



## Katare Spinning Mills Ltd.

### 4. DIVIDEND

Your Directors do not recommend any dividend for the year under report.

### 5. BOARD MEETINGS

During the year under review, 4 (Four) Board Meetings were held and the intervening gap between the meetings did not exceed the period prescribed under the Act, the details of which are given in the Corporate Governance Report.

### 6. BOARD EFFECTIVENESS

The Company has adopted the Governance guidelines which, inter alia, cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Director's term, retirement age and Committees of the Board. It also covers aspects relating to nomination, appointment, induction and development of Directors, Director's Remuneration, Code of Conduct, Board Effectiveness Review and mandates of Board Committees.

#### A. Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Act and the corporate governance requirement as prescribed by Securities Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The performance of the Board was evaluated by the Board after seeking inputs from the Directors on the basis of the criteria such as the Board Composition and structures, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee (NRC) reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspect of his role.

#### B. Appointment of Directors and Criteria for determining Qualifications, positive attributes, independence of a Director

The NRC is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. The NRC reviews and meets potential candidates, prior to recommending their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

The NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Independence: A Director will be considered as an 'Independent Director' if he/ she meets with the criteria for 'Independence' as laid down in the Act, (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Competency: A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is ensured that the Board has a mix of members with different educational qualifications, knowledge and with adequate experience in banking and finance, accounting and taxation, legal and regulatory matters, hospitality sector and other disciplines related to the Company's businesses.

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### **Additional Positive Attributes:**

- The Directors should not have any other pecuniary relationship with the Company and the Company's promoters, except as provided under law.
- The Directors should maintain an arm's length relationship between themselves and the employees of the Company, as also with the Directors and promoters, stakeholders for whom the relationship with these entities is material.
- The Directors should not be the subject of proved allegations of illegal or unethical behavior, in their private or professional lives.
- The Directors should have the ability to devote sufficient time to the affairs of the Company.

### **C. Remuneration Policy**

The Company had adopted a Remuneration Policy for the Directors, KMP and other employees, pursuant to the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The key principles governing the Company's Remuneration Policy are as follows:

- Independent Directors (ID) may be paid sitting fees for attending the meetings of the Board and of Committees of which they may be members, and receive commission within regulatory limits, as recommended by the NRC and approved by the Board.
- Overall remuneration should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company, taking into consideration the challenges faced by the Company and its future growth imperatives.
- Remuneration paid should be reflective of the size of the Company, complexity of the sector/ industry/Company's operations and the Company's capacity to pay the remuneration and be consistent with recognized best practices.

### **Remuneration for Managing Director (MD)/ Executive Directors (ED)/ rest of the**

#### **Employees**

The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be market competitive, driven by the role played by the individual, reflective of the size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay, consistent with recognized best practices and aligned to any regulatory requirements.

Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience. In addition, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings.

In addition to the basic / fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD/ EDs such remuneration by way of commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the NRC and approved by the Board.

It is affirmed that the remuneration paid to Directors and all other employees is as per the Remuneration Policy of the Company.

### **7. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS**

During the Financial year under review, no significant material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

## Katare Spinning Mills Ltd.

### **8. AUDIT COMMITTEE**

Details pertaining to the composition of Audit Committee are included in the Corporate Governance Report, which forms part of the Annual Report.

### **9. DIRECTORS**

In accordance with the Act and the Articles of Association of the Company, Mrs. Vidyavati K. kataré (DIN 01443784) retires by rotation, and is eligible for re-appointment.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed both under the Act and SEBI (Listing Obligations and Disclosure requirements) regulations, 2015.

### **10. RESERVES**

There was no transfer of any amount to General Reserve account of the Company, as the Company was having the losses during year. The Company is trying for betterment of future for it.

### **11. CORPORATE GOVERNANCE**

The members may please note that the provisions relating to Corporate Governance i.e. Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company and accordingly, the Company is not required to submit the Corporate Governance Report with this Annual Report. However, keeping in view the objective of encouraging the use of better practices through voluntary adoption, the Company has decided to adopt and disseminate voluntary disclosure of Corporate Governance which not only serve as a benchmark for the corporate sector but also help the Company in achieving the highest standard of corporate governance.

Accordingly, a voluntary disclosure i.e. the report on Corporate Governance as stipulated under regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith and forms a part of this report.

As such the Members may note that any omission of any corporate governance provisions shall not be construed as non-compliance of the above mentioned regulations.

### **12. AUDITORS & THEIR REPORTS**

Mr. G. M. Pawale, Chartered Accountant, Solapur (M. No. 032561) Auditor of the Company, has done with his appointment period as per Companies Act, 2013 in our Company, so he was retiring from his office.

Therefore, pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of Companies Act, 2013, read with Rule 6 of Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation of the Audit Committee, M/s N. R. Waghchaure & Associates, Chartered Accountants, (Firm Registration Number 114999W), be appointed as a Statutory Auditors of the Company and the Board have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013. Accordingly, Ordinary Resolution is submitted to the meeting for the consideration and approval of members. None of Directors, Key Managerial Personnel or their relatives, in any way concerned or interested in the said resolution.

The report of the Statutory Auditors along with the notes to Schedules is enclosed to this report and also the report contains qualification, reservation or adverse remark or disclaimer for the financial year under review.

## Katare Spinning Mills Ltd.

### 13. RESPONSE TO AUDITORS QUALIFICATION

The outstanding debtors which auditor has considered as doubtful includes amounts due from Semi-Government Agency of Rs. 87.12 Lacs and Trade Receivables to the extent of Rs. 3.60 lakh i.e. aggregating to amount of Rs. 90.72 lakh. The Management is hopeful of its recovery in future years. Hence such amount is not written off during the year.

The Company has incurred losses in the past years and charging of deferred interest to profit & Loss account would further increase the loss. Therefore, the Company is trying for betterment of future of it and also anticipates good results in ensuring year in which situation the entire amount is proposed to be written off.

### 14. SECRETARIAL AUDIT

Pursuant to the provisions of the Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/S. NIKHIL SAWANT & CO. Company Secretaries Pune, as Secretarial Auditor to undertake the Secretarial Audit of the Company for the financial year 2016-17. The Report is Self-explanatory annexed herewith however; the Company has initiated necessary steps to comply with queries mentioned under the Secretarial Audit Report as per the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 15. INTERNAL FINANCIAL CONTROL

The Company has in place internal financial control systems, commensurate with the size and complexity of its operations to ensure proper recording of financial and operational information and compliance of various internal controls and other regulatory and statutory compliances. The internal auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company. Based on the report of the internal auditor, respective departments undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions there on are presented to the Audit Committee of the Board.

### 16. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014, is annexed herewith separately.

### 17. FIXED DEPOSITS

The Company has not accepted or renewed any deposits from the public during the year under review in terms of the Companies (acceptance of deposits) Rule, 2014.

### 18. RELATED PARTY TRANSACTIONS

All Related Party Transactions (RPTs) that were entered into during the financial year were on an arm's length basis and in the ordinary course of business. Accordingly, detailed information given in form AOC-2 which is annexed herewith separately.

There were no materially significant RPTs entered into by the Company during the year.

### 19. RISK MANAGEMENT

The Company has adopted a Risk Management Policy, pursuant to the provisions of Section 134 of the Act, which has a robust Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objectives and enhance the Company's competitive advantage.

## Katare Spinning Mills Ltd.

The risk framework defines, the risk management approach across the enterprise at various levels including documentation and reporting.

The framework enables risks to be appropriately rated and graded in accordance with their potential impact and likelihood. The two key components of risks are the probability (likelihood) of occurrence and the impact (consequence) of occurrence, if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures.

### **20. LOANS, GUARANTEES AND INVESTMENTS**

The Company has not made any investments or given any loans or guarantees or provided any security in connection with a loan to any person or body corporate, covered under Section 186 of the Companies Act, 2013.

### **21. CORPORATE SOCIAL RESPONSIBILITY INITIATIVE**

As the net worth of the Company is less than Rs. Five hundred crores, further the turnover of the Company is less than Rs. One thousand crores and net profit of the Company does not exceed Rs. Five crore or more at any point during the financial year, therefore the Company is not obliged to form Corporate Social Responsibility committee as per terms of section 135 (1) of the Companies Act, 2013.

### **22. PARTICULARS OF EMPLOYEES**

There are no employee drawing remuneration exceeding the limits prescribed under Section 134(3) (q) read with Rule 5 of Rules 2014 and hence no details are required to be annexed to this report.

### **23. VIGIL MECHANISMS/WHISTLE BLOWER POLICY**

The Company has established a vigil mechanism named as 'Whistle Blower Policy' within the Company in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 4(2)(d)(iv) of the Listing Regulations, 2015.

The policy of such mechanism has been circulated to all employees within the Company, which provides a framework to the employees for guided & proper utilization of the mechanism.

### **24. SEPARATE MEETING OF INDEPENDENT DIRECTORS**

The Independent Directors were fully kept informed of the Company's activities in all its spheres. During the year under review, a separate meeting of Independent Directors was held on 14<sup>th</sup> November, 2016 and the Independent Directors reviewed the performance of (i) non-Independent directors and (ii) the board as whole.

They also assessed the quality, quantity and timelines of flow of information between the Company's Management and the Board that that are necessary for the Board to effectively and reasonably perform their duties. All the Independent Directors were present at the meeting.

### **25. SAFETY MEASURES**

#### **I. INSURANCE-**

Your Company continued to cover all assets mainly; plant & machinery, building, materials, stock, furniture & fixtures against possible risks like fire, flood, terrorism and earthquake.

#### **ii. INDUSTRIAL RELATIONS-**

The industrial relations at the plants of the Company during the year under review continued to be cordial throughout the year.

### **26. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 read with Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing

## Katare Spinning Mills Ltd.

Regulations'), is presented in a separate section forming part of the Annual Report.

### **27. DISQUALIFICATION OF DIRECTORS**

All Directors on the Board of the Company have not incurred any disqualification on account of non-compliance with any of the provisions of the Companies Act, 2013.

### **28. DIRECTOR'S RESPONSIBILITY STATEMENT**

The Board of Directors acknowledge the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of annual accounts for the year ended on 31<sup>st</sup> March, 2017 and state that:

1. In the preparation of the annual accounts, the applicable accounting standard had been followed along with proper explanation relating to material departures;
2. The directors had selected such accounting policies and applied them consistently and made judgment 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 covered under this report and of the profit and loss of the Company for that period.
3. 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.
4. The Directors had prepared the annual accounts on a going concern basis.
5. The Directors had laid down internal financial control to be followed by the Company and that such internal financial control are adequate and were operating effectively: and
6. The Directors had devised proper systems to ensure compliance with the provision of all applicable laws and that such systems were adequate and operative effectively.

### **29. DETAILS OF SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES**

The Company does not having any subsidiaries or joint ventures within the meaning of this clause and hence no details are required to be given.

### **30. DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance for sexual harassment at its workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

### **31. APPRECIATION**

Your Directors would like to place on record their appreciation for the co-operation and assistance received from the banks, for the utmost confidence reposed in the management by the shareholders and customers during the year under review. Your Directors wish to thank for the services of the executive, staff and workers of the Company at all levels for their dedication, devotion, determination and discipline. The Directors express their profound thanks to the shareholders for their continued support and goodwill and they look forward to the future with confidence.

By Order of the Board of Directors  
**KATARE SPINNING MILLS LIMITED**

SD/-  
KISHORE KATARE  
Managing Director  
(DIN No.-00645013)

Place: Solapur  
Date: 14<sup>th</sup> August, 2017

## Katare Spinning Mills Ltd.

### **ANNEXURE TO DIRECTOR'S REPORT**

Information as required under rule 8(3) of the companies (accounts) Rule, 2014

A) Energy Conservation taken:

- Switching off unwanted lights.
- Use of natural lights as far as possible.
- Humidification plants not operated during favorable climatic conditions.
- Control over slippage.
- The company has replaced HDP Ring Tubes and introduced light weight ABS Tubes for Ring frame. Because of this the Company is getting more Yarn contents and about 1.5% power saving in the power consumption.

B) Additional investment and proposal, if any being implemented for reduction of consumption of energy. The management is actively considering different areas viz.

- Solar power panel.
- Change in Humidification plant (Cell Type Air Washer) with the help of ATIRA, where power can be saved.
- Installation of appropriated energy saving devices.
- Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production.

The above measures will save energy and to that extent the cost of goods produced will be reduced.

### **Form "A"** **POWER & FUEL CONSUMPTION**

Sr. No.	Particulars	Spinning Division		Hotel Division	
		Current year	Previous Year	Current year	Previous Year
<b>1)</b>	<b>Electricity</b>				
	Purchased units from MSEDCL	377754	1799520	649382	578647
	Total amt. Rs.	3840842	13404709	9584970	7011212
	Rate Unit Rs.	10.17	7.45	14.76	12.12
<b>2)</b>	<b>Own Generation</b>				
	Solar Plant				
	Unit	1432808	1283485	40826	64490
	Rate per unit Rs.	8.78	8.80	-	-

By Order of the Board of Directors  
**KATARE SPINNING MILLS LIMITED**

Place: Solapur  
Date: 14<sup>th</sup> August, 2017

SD/-  
KISHORE KATARE  
Managing Director  
(DIN No.-00645013)

## Katare Spinning Mills Ltd.

### Form No. AOC-2

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for disclosure of particulars of 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 arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis- Not Applicable
2. Details of material contracts or arrangement or transactions at arm's length basis-

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
(a)	(b)	(c)	(d)	(e)	(f)
Kishore Katare- Managing Director	Sale and Purchase of Yarn	Ongoing Basis	NA	NA	NA
Subhash Katare- Director	Sale of Yarn, Land Rent	Ongoing Basis	NA	NA	NA
Kamal Marketing Private Limited- Common Directors	Sale and Purchase of Yarn, Cotton Processing Charges, Building Rent	Ongoing Basis	NA	NA	NA
Katare Cotton Waste Spg.- Common Partner	Sale and purchase of Yarn, Cotton	Ongoing Basis	NA	NA	NA
Vijay textile- Common Partner	Building Rent	Ongoing Basis	NA	NA	NA

By Order of the Board of Directors  
**KATARE SPINNING MILLS LIMITED**

SD/-  
KISHORE KATARE  
Managing Director  
(DIN No.-00645013)

Place: Solapur  
Date: 14<sup>th</sup> August, 2017

**Disclosure as required under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

1. Ratio of the remuneration of each Director and Key Managerial Personnel (KMP) to the median remuneration of the employees of the Company and percentage increase in remuneration of the Directors and KMPs in the financial year.

Sr.No.	Name of Director /KMP	Designation	Remuneration Rs. In Lakhs		Change (%)	Ratio of Remuneration of each Director & KMP to Median Remuneration of Employees
			2017	2016		
1	Kishore Katare	Managing Director	6.5	6	8.33	7.44



# Katare Spinning Mills Ltd.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### 1. Current scenario

For the Textile industry, the Global focus is shifting from China to India due to cost and stability factors. The Government's positive steps are expected to help this shift and if foreign investment in textile retail materialises, the consumption of the textile product in the domestic market should increase in the year to come.

Equally, our Economy is also showing recovery with lower fiscal and current account deficit. The Indian Government in a pro - active manner has set in motion lots of economic initiatives. These initiatives in the long run would sustain positive economic growth which is fundamental for the overall growth and standard of living.

### 2. Business Segment

#### Textile Industry

The Company achieved a turnover of Rs. 3608.24 lakh against Rs. 3549.10 lakh relating to the previous year. The gross profit of the Company recorded at Rs. 48.20 Lakh before interest and depreciation and net loss for the year is at Rs. 261.28 Lakh as against loss of Rs. 33.97 Lakh for the previous year. The turnover of the Company is more as compared to the previous year but due to some government policies and the market culture the Company has incurred losses during the year under review.

#### Hotel

As we all are aware that, in the last year the Government of India has declared Smart City status to Solapur, so in view of this the prediction of hospitality industry was that the good investment will take place in the Solapur City to develop it and also it will impact on Hotel Industry in good scene. But, due to some policies of government in development of region area was not so good, that's why the results are not getting positive.

Also, the occupancy level in hotels all over India has been reported as getting lower and discounts percentages getting higher affecting industry. Though, Industry is very hopeful for future growth and expecting sunny days as the room inventories are increasing on daily basis, thus creating more opportunities for the service staff. This study follows the flaws in some of the government policies directly related to Hotel Industry which are affecting hotels and also discusses other issues related to hotel Industry as well such as Taxation Policies of Indian Government, Debt- funding by Indian Banks, Licensing Issues, Descending Indian economy, Online Travel Agents, Human Resource Management, Quality of Guest Services in the era of Social Media, Safety and Security etc. These are few of the most important concerns which have a long lasting effect upon the business of the hospitality

#### Solar Power Project

The Company has already Commissioned Rooftop Solar Power Project at hotel and has getting good benefit by way of reduction in monthly electricity bills.

Considering the involvement of power part in the cost of finished goods, the Company has set up 1 MW power project for captive consumption and accordingly pleased to inform you that the Company has successfully commissioned 1 MW Solar Power plant for captive consumption in the Month of April, 2015. This is the first net metering installation in the Maharashtra. During the financial year total 14,32,808 electricity units have been generated and it helps the Company to save in electricity bill substantially.

### 3. Industry Outlook

In general, the performance of the Textile industry depends upon the swings of demand by the market forces which closely track the economic trend. The exception to this rule is the demand for specialty cotton yarn which is consistent and growing. On bouncing of economic conditions, the demand trend is expected to be more positive for the current year even for normal segment of cotton yarn and that would drive more demand for specialty cotton yarn.

## Katare Spinning Mills Ltd.

### 4. Opportunities

Improving economic conditions would generate more demand, in general, for cotton yarn. The Company by concentrating and focusing on manufacture of specialty cotton yarn has created specific markets for its products, which is on the growth path and has continued good demand.

### 5. Risks and Concerns

The Government policies and volatile economic environment have a bearing on the overall performance of the company.

### 6. The Financial and Operational Performance

The Financial statement given in the report of the Directors for the financial year 2016-17 is quite good as compare to Market situation, as the Company is having losses in the year. It reflects the genuine steps taken by the management for transparency and best judgement for the estimates made to correctly reflect the true and fair affairs of the Company and the Company is also planning for future years to come a good condition for the Company.

### 7. Internal control, systems and adequacy.

The Company has put in place effective control systems in respect of all its operations and such systems are continuously reviewed and upgraded.

### 8. Human Resources Development

The Company places its utmost value on the human resource and contribution from the employees is always fine-tuned towards to achieve the overall organization performance by constant education, training and various incentive schemes, which are in vogue.

### 9. Safety and Environment

The Company ensures high safety and environmental standards in all its operations at all the units. Safety needs are continuously monitored and preventive actions are initiated through departmental safety committees consisting of plant staff and workmen.

### 10. Cautionary Statement

Certain Statements in this report on Management Discussion may be forward looking statements and which have been issued as required by applicable Securities Laws and Regulations. There are several factors which would be beyond the control of Management and as such, may affect the actual results which could be different from that envisaged.

## Katare Spinning Mills Ltd.

Comments of the Board of Directors on the observations pointed out in the  
Secretarial Audit Report;

Sr. No.	Observations by Secretarial Auditors	Comments by the Board
1	The Company has not complied with the provisions of Section 203 of the Companies Act, 2013 and Reg. 6(1) of SEBI (LODR) Regulations, 2015 in respect of the appointment of Company Secretary in the F.Y. 2016-17	We are looking for appropriate candidate, but we are not getting the suitable person who will stay in Mo fusil area of Solapur.
2	The Company has not complied with the provisions of Section 203 of the Companies Act, 2013 in respect of the appointment of CFO in the F.Y. 2016-17	We are looking for appropriate candidate for the same post, but due to Mo fusil area of Solapur no one is getting to us.
3	There was a delay in payment of listing fees with BSE for the F.Y. 2016-17	Due to some financial crisis during the year, we are unable to pay listing fees within time.
4	As per Regulation 31(2) (d) of SEBI (LODR) Regulations, 2015 the shareholding of Promoters and Promoter group i.e. 3,61,523 shares are pending for dematerialization as on year end date.	We have actually given the physical shares to NSDL for dematerialization, so it is under process.
5	As per Reg. 33(3) of SEBI (LODR) Regulations, 2015 Company has not filed audited financial results for the Financial year ended March 31, 2017 within time as stipulated in the reg. with BSE.	Due to some technical reason, we were unable to file audited financial results for the financial year ended March 31, 2017 within time as stipulated in the reg. with BSE.
6	The Company has not properly followed the Reg. 47 of SEBI (LODR) regulations, 2015 in respect to advertisement in newspaper.	We inadvertently failed to comply with the given regulation, however henceforth we will take necessary action in respect to Public Announcement.
7	The Company has closed its books as per Sec.91 of the Companies Act, 2013 but has not given the public notice for closure of register to the members in newspaper.	We inadvertently failed to comply with the given regulation, however henceforth we will take necessary action in respect to Public Announcement.
8	The Company has not properly complied the sec. 108 and rules made there under of the Companies act, 2013 with respect to e-voting.	We will take necessary steps to ensure the E-voting process smoothly in future.
9	The Company has maintained the website of the Company as per SEBI (LODR) regulations, 2015 but the current details of the Company are not updated on the website.	We are in process of uploading all the details on website of the Company to come on real-time basis.

By Order of the Board of Directors  
**KATARE SPINNING MILLS LIMITED**

SD/-  
KISHORE KATARE  
Managing Director  
(DIN No.-00645013)

Place: Solapur  
Date: 14<sup>th</sup> August, 2017

# Katare Spinning Mills Ltd.

## CORPORATE GOVERNANCE REPORT

### CORPORATE GOVERNANCE

The members may please note that the provisions relating to Corporate Governance i.e. Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company and accordingly, the Company is not required to submit the Corporate Governance Report with this Annual Report. However, keeping in view the objective of encouraging the use of better practices through voluntary adoption, the Company has decided to adopt and disseminate voluntary disclosure of Corporate Governance which not only serve as a benchmark for the corporate sector but also help the Company in achieving the highest standard of corporate governance.

Accordingly, a voluntary disclosure i.e. the report on Corporate Governance as stipulated under regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

#### **1. Company's Philosophy on Code of Governance:**

The Company believes that good Corporate Governance emerge from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standard of transparency and business ethics.

#### **2. Board of Directors:**

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and direct, supervises and controls the performance of the Company. The present strength of Board of Directors is 6 (six) as on 31<sup>st</sup> March, 2017, whose composition and category is given below:

- One - Managing Director
- Two - Independent Directors
- One - Women Director
- Two - Director

#### A) THE CONSTITUTION OF THE BOARD AS ON 31<sup>st</sup> MARCH, 2017

The Composition of the Board of Directors and also the number of other Board of Directors or Board Committees of which they are member/ chairman are given below:

Directors	Category	No. of other Directorship		No. of other Committee positions	
		Public	Private	Member	Chairman
Shri Kishore Katare	Promoter, Managing Director	1	1	NIL	NIL
Shri Subhash Katare	Promoter, Director	1	NIL	NIL	NIL
Shri Suresh Inamdar	Independent Director	NIL	NIL	NIL	NIL
Shri Yadgiri Konda	Independent Director	NIL	NIL	NIL	NIL
Shri. Umakant Mahindrakar	Director	NIL	NIL	NIL	NIL
Mrs. Vidyavati Katare	Director	1	1	NIL	NIL

None of the Directors is a member in more than ten committees and acts as chairman in more than 5 committees across all the companies in which he is a Director.

## Katare Spinning Mills Ltd.

### B) BOARD PROCEDURE

Agenda is sent to each Director in advance of Board and Committee meetings to enable the Board discharge to its responsibilities effectively; the Managing Director briefs the Board at every meeting on the overall performance of the Company, followed by discussion by the Directors. The Board also reviews:

Strategy and business plans, Operations and capital expenditures, Finance and Banking operations, Adoption of quarterly/half yearly/ annual results, Compliance with statutory/regulatory requirements and review of major legal issues, Significant labor issues.

### C) ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING

During the year ended March 31, 2017, 4 (Four) Board Meetings were held on 30<sup>th</sup> May, 2016, 14<sup>th</sup> August, 2016, 14<sup>th</sup> November, 2016, 11<sup>th</sup> February, 2017 and the Annual General Meeting during the year was held on 29<sup>th</sup> September, 2016.

Name of the Directors	Category of Directorship	No. of Board Meeting Attended	Attendance at the last AGM held on 29.09.2016
Shri. K. T. Katare	Managing Director	4	Present
Shri. S. T. Katare	Director	4	Present
Shri. S. B. Inamdar	Independent Director	4	Present
Shri. Y. N. Konda	Independent Director	4	Present
Shri. U. M. Mahindrakar	Director	4	Present
Mrs. V K Katare	Director	4	Present

### 3. COMMITTEE OF THE BOARD

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted a set of committees with specific terms of reference/scope. The Committees operate as empowered agents of the Board as per their Charter/terms of reference. Targets set by them as agreed with the management are reviewed periodically and mid-course corrections are also carried out. The minutes of the meetings of all Committees of the Board are placed before the Board for discussions/noting.

The Board of Directors has constituted three committees of the Board – (i) The Audit Committee (ii) Nomination and Remuneration Committee and (iii) Stakeholders Relationship Committee.

#### **i) Audit Committee:**

The Committee's power, role and function are as stipulates in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under Section 177 of the Companies Act, 2013.

#### COMPOSITION:

During the year ended 31<sup>st</sup> March, 2017, four Meetings were held.

The composition of the Audit Committee is as follows:

## Katare Spinning Mills Ltd.

Member of Audit Committee	Position	Committee Meetings
Shri. S. B. Inamdar	Chairman-Independent Director	4
Shri. Y. N. Konda	Independent Director	4
Shri. S. T. Katare	Executive Director	4

### ii) Nomination and Remuneration Committee:

The Remuneration Committee of the Company is empowered to review the remuneration of the chairman /Managing Director and retirement benefits to be paid to them under the Retirement Benefit Guidelines approved by the Board, on the amount and to the non-executive directors based on criteria fixed by the Board.

#### BRIEF DESCRIPTION OF TERMS OF REFERENCE:

Fixation of salary, perquisites etc. of all executive directors of the Company, as and when any new executive director is appointed/ existing executive director is re -appointed; and Deciding commission payable to executive directors based on performance of the concerned executive director and for this purpose fixes targets for achievements.

#### COMPOSITION:

During the year ended 31<sup>st</sup> March, 2017, Two Meetings were held.

The composition of the Nomination and Remuneration Committee is as follows:

Member of Audit Committee	Position	Committee Meetings
Shri. S. B. Inamdar	Chairman-Independent Director	2
Shri. Y. N. Konda	Independent Director	2
Shri. S. T. Katare	Executive Director	2

The detail of remuneration for the year ended 31<sup>st</sup> March, 2017 paid to the Director/ Managing Director during the period is as under:

Director	Salary	Perquisites	Cont. to PF & Other Funds	Total
Shri. K. T. Katare	6,50,000/-	NIL	72,000/-	7,22,000/-

### iii) STAKEHOLDERS RELATIONSHIP COMMITTEE:

#### BRIEF DESCRIPTION OF TERMS OF REFERENCE

The "Stakeholders Relationship Committee" of the Board, looks into various issues relating to investor grievances and to deal with matters relating to transfers/transmission of shares, and monitors redress of complaints from shareholders relating to transfers, non-receipt of balance-sheet, issue of duplicate share certificates, etc.

## Katare Spinning Mills Ltd.

### COMPOSITION:

During the year ended 31<sup>st</sup> March, 2017, Two Meetings were held.

The composition of the Nomination and Remuneration Committee is as follows:

Member of Audit Committee	Position	Committee Meetings
Shri. S. B. Inamdar	Chairman-Independent Director	2
Shri. Y. N. Konda	Independent Director	2
Shri. S. T. Katare	Executive Director	2

The company's shares are compulsory traded in the dematerialized form at Bombay Stock Exchange Limited where Company's shares are listed.

There were no valid share transfer requests pending as on March 31, 2017.

### 4. GENERAL BODY MEETINGS:

Location and time, where last three Annual General Meetings were held is given below:

Financial Year	Date	Time	Location of the Meeting
2015-16	29.09.16	11.00 am	C-2, MIDC, Akkalkot Road, Solapur.
2014-15	30.09.15	11.00 am	C-2, MIDC, Akkalkot Road, Solapur.
2013-14	30.09.14	11.00 am	224, Civil Lines, Solapur

### 5. DISCLOSURES

The Company had not entered into any transactions of a material nature, which will have a conflict with its interest during the year.

The disclosure of related party transactions as required by the Accounting Standard (AS) 18 on 'Related Party Disclosures issued by the Institute of Chartered Accountants of India (ICAI) is given under Notes on the Annual Accounts. All the transactions covered under related party transaction were fair, transparent and at arm's length basis.

The company has complied with all the requirements of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015. No penalties have been imposed or stricture has been issued by SEBI, stock exchanges or any Statutory Authorities on matters relating to capital markets during the last three years.

The Company has followed all relevant accounting standards notified by the Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Companies Act, 2013 while preparing its financial statements.

### 6. MEANS OF COMMUNICATIONS

The quarterly, half yearly and annual results are communicated to all the Stock Exchanges where the Company's shares are listed i.e. BSE as soon as the same are approved and taken on record by the Board of Directors of the Company. The results are not sent individually to the shareholders.

### 7. CODE OF CONDUCT

The Board of Director has adopted the Code of Business Conduct and Ethics for Director and Senior Management. The said Code has been communicated to the Directors and members of the Senior Management.

## Katare Spinning Mills Ltd.

### 8. GENERAL SHAREHOLDERS INFORMATION

Sr. No.	Particulars	Information
a)	Annual General Meeting i) Date & Time ii) Venue	27 <sup>th</sup> September, 2017 at 11 am At Hotel Tripursundari, 224, Civil lines, Solapur – 413 001
b)	Financial Calendar (tentative) Results for the 1 <sup>st</sup> Quarter Ending 30 <sup>th</sup> June, 2016 Result for the 2 <sup>nd</sup> Quarter/Half Year Ending 30 <sup>th</sup> Sep. 2016 Result for the 3 <sup>rd</sup> Quarter Ending 31 <sup>st</sup> December, 2016 Results for the 4 <sup>th</sup> Quarter/Year Ending 31 <sup>st</sup> March, 2017	First Week August 2016  First Week November 2016  First Week February 2017  First Week May 2017
c)	Book Closure Date (Both days inclusive)	Friday, 22 <sup>nd</sup> September, 2017 to Wednesday 27 <sup>th</sup> September, 2017.
d)	Listing on Stock Exchanges	The Bombay Stock Exchange Ltd., Mumbai.
e)	Stock Code	Physical segment – BSE- 502933 NSDL / CSDL – ISIN: INE -498G01015

#### f) Stock Market Data

The monthly high and low Prices during the year at BSE are as follows:

Month	Mumbai Stock Exchange	
	High Rs.	Low Rs.
April 2016	22.00	15.00
May 2016	22.90	18.00
June 2016	19.80	16.25
July 2016	20.50	16.55
August 2016	22.05	17.20
September 2016	22.05	19.00
October 2016	25.95	19.90
November 2016	29.25	26.00
December 2016	31.80	28.75
January 2017	29.45	20.00
February 2017	22.00	18.20
March 2017	20.05	16.50

#### g) Share holding pattern as on 31.03.2017

Sr.No.	Category	No.of Shares	% (Percentage)
1	Promoters (Including promoters Body Corporate)	14,63,757	51.36
2	Body Corporate	1,57,321	05.52
3	Resident Individuals	12,18,446	42.75
4	Non Resident Indian	411	0.01
5	Financial Institutions/Banks	7,900	0.28
6	Clearing Member	2,165	0.08
	<b>TOTAL:-</b>	<b>28,50,000</b>	<b>100.00</b>



## Katare Spinning Mills Ltd.

### h) Distribution of Shareholding as on 31.03.2017

Shareholding of nominal value	No. of Shareholders	%	Nominal Value of Equity Shares (Rs.)	%
1 to 5000	1463	87.82	2284070	8.01
5001 to 10000	100	5.88	856840	3.00
10001 to 20000	39	2.29	596250	2.09
20001 to 30000	17	1.00	434180	1.52
30001 to 40000	8	0.47	292720	1.02
40001 to 50000	8	0.47	360430	1.26
50001 to 100000	14	0.82	970650	3.40
100001 to onwards	21	1.23	22704860	79.66

### i) Registrar and share Transfer Agent:

Link Intime India Pvt. Ltd.,  
Akshay Complex, Block No.202, 2<sup>nd</sup>  
Floor, Opp. Dhole Patil Road,  
Pune- 411001.  
E-mail: pune@linkintime.co.in

### Share Transfer System:

Trading in Equity shares of the company is permitted only in dematerialized form as per notification issued by the Securities & Exchange Board of India (SEBI) and the Link Intime India Pvt. Ltd., Pune handle the both Demat and physical share transfers.

The Share transfers which are received in physical form are processed and the share certificate are returned within 21 days from the date of receipt, subject to Documents being valid and complete in all respects.

The Stakeholders Relationship Committee meets periodically to consider the transfer and other proposals and attend to shareholders grievances.

### k) DEMATERILISATION OF SHARES

As on 31<sup>st</sup> March, 2017 Equity shares were in de-materialized form representing 79.51% of the total share capital.

## Katare Spinning Mills Ltd.

l) Plant Location

**Spinning Mills**

Kamala Nagar, Tamalwadi,  
Tal. Tuljapur, Dist. Osmanabad

**Hotel Tripursundari**

224, Civil Lines, Solapur.

**Solar Plant**

Kamala Nagar, Tamalwadi,  
Tal. Tuljapur, Dist. Osmanabad

m) Address for Correspondence:

KATARE SPINNING MILLS LIMITED  
"KAMALA" 259, Sakhar Peth,  
Solapur – 413 005

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### DECLARATION

To the best of our knowledge and belief, certify that;

We have reviewed financial statements and the cash flow statement for the year and that:

- a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- c. There are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- d. We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

By Order of the Board of Directors.

**KATARE SPINNING MILLS LIMITED**

SD/-  
KISHORE KATARE  
Managing Director  
(DIN No.-00645013)

Place: Solapur  
Date: 14<sup>th</sup> August, 2017

## Katare Spinning Mills Ltd.

NIKHIL SAWANT & CO.

ADD: 8/176, HEALTH CAMP PANDAVNAGAR, PUNE- 411016

E-mail- csnikhilsawant@gmail.com Mob No. – 9579851175

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Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,

#### **KATARE SPINNING MILLS LIMITED**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KATARE SPINNING MILLS LIMITED (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder-**Not applicable to the Company during the Audit period.**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, but during the audit period, there were no Foreign Direct investment, Overseas Direct Investment and External Commercial Borrowings-**Not applicable to the Company during the Audit period.**
- (v) 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- **Not applicable as the Company did not issue any security during the financial year under review;**

## **Katare Spinning Mills Ltd.**

8. During the Audit period as mentioned above, we have not found any documents in regards to Managing Director, so we can't comment on this.

9. The Company has closed its books as per Section 91 of the Companies Act, 2013 but has not given the public notice for closure of register to the members in newspaper.

10. The Company has not properly complied the Section 108 and rules made there under of the Companies Act, 2013 with respect to e-voting.

11. The Company has maintained the website of the Company as per SEBI (LODR) Regulations, 2015 but the current details of the Company are not updated on the website.

12. As per Section 139(1) of the Companies Act, 2013 the Company has appointed the Auditor but the Auditor is not holding peer review certificate which is to be issue by the Peer Review Board of the Institute of chartered Accountants of India.

### I further report that:

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

Mr. K.T. Katare -Managing Director, Mr. Subhash Katare –Director, Mr. Suresh Inamdar – Independent Director, Mr. Umakant Mahindrakar –Director, Mr. Yadgiri Konda – Independent Director and Mrs. Vidyavati Katare – Women Director.

There were no specific changes in the composition of the Board of Directors took place during the period under review and are in compliance with the provisions of the Act.

I further report that the Board of Directors of the Company are constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I 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 NIKHIL SAWANT & CO.  
Company Secretaries**

**SD/-**

**NIKHIL SAWANT**

Proprietor

Membership No. ACS- 37819 CP No- 14691

Place : Pune

Date : 11<sup>th</sup> August, 2017

This report is to be read with my letter of even date which is annexed as ANNEXURE- A and forms as integral part of this report.

## Katare Spinning Mills Ltd.

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- **Not applicable as the Company has not granted any options to its employees during the financial year under review;**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable as the Company has not issued any debt securities during the financial year under review;**

(f) 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- **Not applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the financial year under review;**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review; and**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- **Not applicable as the Company has not bought back any of its securities during the financial year under review;**

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) Other laws including laws specifically applicable to the industry and Company as per the representation given by the Company.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India has been properly followed by the Company during the year.

I have not examined the compliance by the Company with of the following;

- Applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations;

1. The Company has not complied with the provisions of Section 203 of the Companies Act, 2013 and Regulation 6(1) of SEBI (LODR) Regulations, 2015 in respect of the appointment of Company Secretary in the financial year 2016-17.

2. 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 in the financial year 2016-17.

3. There was a delay in payment of listing fees with Bombay Stock Exchange Limited for the financial year 2016-17.

4. As per Regulation 31(2) of SEBI (LODR) Regulations, 2015 the shareholding of promoters and promoter group i.e. 3,61,523 shares are pending for dematerialization as on year end date.

5. As per Regulation 33(3) (d) of SEBI (LODR) Regulations, 2015, Company has not filed audited financial results for the financial year ended March 31, 2017 within time as stipulated in the regulation with Bombay Stock Exchange Limited.

6. It was informed that the related party transactions are entered into by the Company in its Ordinary course of business and undertaken at an arm's length basis, which do not need any prior approval however, Form AOC-2 was not available for verification.

7. The Company has not properly followed the Regulation 47 of SEBI (LODR) regulations, 2015 in respect to advertisement in newspaper.

## **Katare Spinning Mills Ltd.**

### **Annexure A to the Secretarial Audit Report**

To

The Members,

**KATARE SPINNING MILLS LIMITED**

Solapur-413 005

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and Practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of any financial records and Books of Accounts of the Company.
4. Whenever required, I have obtained the Management representation letter about the Compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management of the Company. My examination was limited to the verification of procedures on the random test basis.
6. The Secretarial Audit Report is neither an assurance as to the future visibility of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**FOR NIKHIL SAWANT & CO.**  
**Company Secretaries**

**SD/-**

**NIKHIL SAWANT**

Proprietor

Membership No. ACS- 37819 CP No- 14691

Place : Pune

Date : 11<sup>th</sup> August, 2017

## Katare Spinning Mills Ltd.

### FORM NO. MGT- 9

#### EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2017

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

#### I REGISTRATION & OTHER DETAILS :

i	CIN	L17199PN1980PLC022962
ii	Registration Date	08/08/1980
iii	Name of the Company	KATARE SPINNING MILLS LIMITED
iv	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES
v	Address of the Registered office & contact details	"KAMALA",259, SAKHAR PETH, SOLAPUR- 413 005
vi	Whether listed company	YES
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt Ltd, Akshay Complex, Block No. 202, 2nd Floor, Opp. Dhole Patil Road, Pune-411001 Ph. No. 020-26161629, Email-id pune@linkintime.co.in

#### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr.No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	COTTON YARN	5205	88.33
2	HOTEL SERVICES	5510	11.67

#### III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sr.No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
NA					

## Katare Spinning Mills Ltd.

### IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity) As on 31.03.2017

#### (i) Category- wise Share holding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2016				No. of Shares held at the end of the year 31.03.2017				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	35215	1266362	1301577	45.67	1064088	290936	1355024	47.54	-1.88
b) Central Govt.or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	0	0	0	0	0	0	0	0	0
d) Bank/FI	0	0	0	0	0	0	0	0	0
e) Any other	38146	118028	156174	5.48	38146	70587	108733	3.82	1.66
<b>SUB TOTAL:(A) (1)</b>	<b>73361</b>	<b>1384390</b>	<b>1457751</b>	<b>51.15</b>	<b>1102234</b>	<b>361523</b>	<b>1463757</b>	<b>51.36</b>	<b>-0.21</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>73361</b>	<b>1384390</b>	<b>1457751</b>	<b>51.15</b>	<b>1102234</b>	<b>361523</b>	<b>1463757</b>	<b>51.36</b>	<b>-0.21</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	4400	4400	0.41	0	7900	7900	0.28	0
c) Cenrtral govt	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIS	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>4400</b>	<b>4400</b>	<b>0.41</b>	<b>0</b>	<b>7900</b>	<b>7900</b>	<b>0.28</b>	<b>0.13</b>
<b>(2) Non Institutions</b>									
a) Bodies corporates	151071	9565	160636	5.64	151556	5765	157321	5.52	0.12
l) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	325854	215491	541345	18.99	297027	208835	505862	17.75	1.25
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	677028	0	677028	23.76	712584	0	712584	25.00	-1.25
c) Others (specify)									
Market Maker	5089	0	5089	0.18	2165	0	2165	0.08	0.10
Non Resident Indian (non repat)	136	0	136	0.00	411	0	411	0.01	-0.01
Non Resident Indian (repat)	3615	0	3615	0.13	0	0	0	0.00	0.13
<b>SUB TOTAL (B)(2):</b>	<b>1162793</b>	<b>225056</b>	<b>1387849</b>	<b>48.70</b>	<b>1163743</b>	<b>214600</b>	<b>1378343</b>	<b>48.36</b>	<b>0.33</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>1162793</b>	<b>229456</b>	<b>1392249</b>	<b>49.11</b>	<b>1163743</b>	<b>222500</b>	<b>1386243</b>	<b>48.64</b>	<b>0.47</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>1236154</b>	<b>1613846</b>	<b>2850000</b>	<b>100</b>	<b>2265977</b>	<b>584023</b>	<b>2850000</b>	<b>100</b>	<b>0</b>



## Katare Spinning Mills Ltd.

### (ii) SHARE HOLDING OF PROMOTERS

Sr. No	Shareholders Name	Shareholding at the beginning of the year 01.04.2016			Shareholding at the end of the year 31.03.2017			% 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	Kishor Tippanna Katare	350082	12.28	0	350082	12.28	0.00	0.00
2	Subhash Tippanna Katare	336005	11.79	0	336005	11.79	0.00	0.00
3	Shakuntala Tulsidas Katare	382651	13.43	0	382651	13.43	0.00	0.00
4	Tippanna Tulsiram Katare	286236	10.04	0	286236	10.04	0.00	0.00
5	Vidhyavati Kishor Katare	10300	0.36	0	10300	0.36	0.00	0.00
6	Umavati Vijay Katare	49759	1.75	0	55787	1.96	0.00	0.21
7	Sushama Subhash Katare	8000	0.28	0	8000	0.28	0.00	0.00
8	Katara Sachin Subhash	3150	0.11	0	3150	0.11	0.00	0.00
9	Mahindrakar Umakant Mahadev	7478	0.26	0	7478	0.26	0.00	0.00
10	Umakantrao M Mahindrakar	22	0.00	0	0	0.00	0.00	0.00
11	Geeta Anilkumar Kapatkar	200	0.01	0	200	0.01	0.00	0.00
12	Sunita Prashant Achalkar	200	0.01	0	200	0.01	0.00	0.00
13	Vanita Tulshidas Katare	200	0.01	0	200	0.01	0.00	0.00
14	Nanda Tulshidas Katare	200	0.01	0	200	0.01	0.00	0.00
15	Katara Kirti Kishor	8418	0.30	0	8418	0.30	0.00	0.00
16	Katara Kritika Kishor	8800	0.31	0	8800	0.31	0.00	0.00
17	Jaishree Venkatesh Mahindrakar	1700	0.06	0	1700	0.06	0.00	0.00
18	Chhaya Umakant Mahindrakar	1700	0.06	0	1700	0.06	0.00	0.00
19	Ambutai Abhaykumar Telkar	2600	0.09	0	2600	0.09	0.00	0.00
20	Kamal Kishore Katara	50	0.00	0	50	0.00	0.00	0.00
	Total	1457751	51.15	0	1463757	51.36	0.0	0.21

### (iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sr. No		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	1457751	51.15		
	At the end of the year	1463757	51.36	1463757	51.36

## Katare Spinning Mills Ltd.

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

Sr. No	Name	No. of Shares at the beginning (01.04.16)/end of the year (31.03.17)		Date			Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Balram Bharwani	136092	4.78	01.04.2016	26908	Trnasfer	163000	5.72
		163000	5.72	31.03.2017				
2	Rahul Katare	29470	1.03	01.04.2016	47486	Transmission	76956	2.70
		76956	2.70	31.03.2017				
3	Jhaveri Securities Ltd	55065	1.93	01.04.2016	0	Nil Movement during the year	55065	1.93
		55065	1.93	31.03.2017				
4	Preeti Krishnagopal Chandak	76429	2.68	01.04.2016	0	Nil Movement during the year	76429	2.68
		76429	2.68	31.03.2017				
5	Hina Kirti Doshi	50000	1.75	01.04.2016	0	Nil Movement during the year	50000	1.75
		50000	1.75	31.03.2017				
6	Krishnagopal Motilal Chandak	49495	1.74	01.04.2016	0	Nil Movement during the year	49495	1.74
		49495	1.74	31.03.2017				
7	VSL Securities	48831	1.71	01.04.2016	0	Nil Movement during the year	48831	1.71
		48831	1.71	31.03.2017				
8	Kamal Marketing pvt Ltd	37595	1.32	01.04.2016	0	Nil Movement during the year	37595	1.32
		37595	1.32	31.03.2017				
9	Mohan Ramkrishna Chavdekar #	22156	0.78	01.04.2016	0	Nil Movement during the year	22156	0.78
		22156	0.78	31.03.2017				
10	Anjana Sinha #	10318	0.36	01.04.2016	0	Nil Movement during the year	10318	0.36
		10318	0.36	31.03.2017				
11	Rakesh Vijaykumar Katare	110520	3.88	01.04.2016	2665	Transmission	113185	3.97
		113185	3.97	31.03.2017				
12	Rajesh Vijaykumar Katare	95180	3.34	01.04.2016	0	Nil Movement during the year	95180	3.34
		95180	3.34	31.03.2017				

\* Not in the list of Top ten shareholders as on 01.04.2016. The same have been reflected above since share holders were among the Top ten share holders as on 31.03.2017.

# Ceased to be in the list of Top ten shareholders as on 31.03.2017. The same have been reflected above since shareholders were among the top ten shareholder as on 31.03.2016.

## Katare Spinning Mills Ltd.

### (v) Shareholding of Directors & Key Mnegerial Personel (KMPs)

Sr. No	Name	No. of Shares at the beginning (01.04.16)/end of the year (31.03.17)		Date	Increase /d ecrease	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No.of shares	% of total shares of the company				No.of shares	% of total shares of the company
<b>A Directors</b>								
1	Subhash Tippanna Katare	336005	11.79	01.04.2016	0	Nil Movement during the year	336005	11.79
		336005	11.79	31.03.2017				
2	Vidhyavati Kishor Katare	10300	0.36	01.04.2016	0	Nil Movement during the year	10300	0.36
		10300	0.36	31.03.2017				
3	Umakant M Mahindrakar	7500	0.26	01.04.2016	-22	Transfer	7478	0.26
		7478	0.26	31.03.2017				

### **B KMPs**

2	Kishor Tippanna Katare	350082	12.29	01.04.2016	0	Nil Movement during the year	350082	12.28
		350082	12.28	31.03.2017				

### **V INDEBTEDNESS**

(Rs. In Lacs)

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	1921.61	322.57	0.00	2244.17
ii) Interest due but not paid	284.03		0.00	284.03
iii) Interest accrued but not due	5.53		0.00	5.53
<b>Total (i+ii+iii)</b>	2211.16	322.57	0.00	2533.73
<b>Change in Indebtedness during the financial year</b>				
Additions				
Reduction	139.00	255.80	0.00	394.80
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1782.62	188.70	0.00	1971.32
ii) Interest due but not paid	28.23			28.23
iii) Interest accrued but not due	5.21			5.21
<b>Total (i+ii+iii)</b>	1816.06	188.70	0.00	2004.76

## Katare Spinning Mills Ltd.

### VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
1		Shri Kishore T Katare Managing Director			
1	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section			650000	
	(b) Value of perquisites u/s 17(2)			72000	722000
	(c) Profits in lieu of salary under			-	-
2	Stock option			-	-
3	Sweat Equity			-	-
4	Commission			-	-
	as % of profit				
	others (specify)				
5	Others, please specify			-	-
	<b>Total (A)</b>				722000
	<b>Ceiling as per the Act</b>				N.A.

#### B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Shri Subhash T katare	Shri U M Mahindrakar	Mrs Vidhyvati katare	Shri Y N Konda	Shri S B Inamdar
	Independent Directors					
	(a) Fee for attending board committee meetings	-	-	-	6000	6000
	(b) Commission	-	-	-	-	-
	(c) Others - Conveyance Exps	-	-	-	6000	6000
	<b>Total (1)</b>	0	0	0	12000	12000
	Other Non Executive Directors					
	(a) Fee for attending board committee meetings	6000	6000	6000	-	-
	(b) Commission	-	-	-	-	-
	(c) Others - Conveyance Exps	6000	6000	6000	-	-
	<b>Total (2)</b>	12000	12000	12000	0	0
	<b>Total (B)=(1+2)</b>	12000	12000	12000	12000	12000
	<b>Total Managerial Remuneration</b>					<b>782000 #</b>
	<b>Overall Ceiling as per the Act.</b>					N.A.

# Total Remuneration to whole Time Directors and other Directors (being the total of A& B)

#### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			Total
1	<b>Gross Salary</b>	<b>CEO</b>	<b>Company Secretary</b>	<b>CFO</b>	<b>Total</b>
	There were no one as key managerial personnel other than M/D Manager/WTD as defined under Companies Act, 2013 in the Company.				

#### VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
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There was no any penalties/ punishment /compounding of offences incurred during the year

By Order of the Board of Directors  
**KATARE SPINNING MILLS LIMITED**

Place: Solapur  
Date: 14<sup>th</sup> August, 2017

SD/-  
KISHORE KATARE  
Managing Director  
(DIN No.-00645013)

# Katare Spinning Mills Ltd.

## INDEPENDENT AUDITOR'S REPORT

To,

The Members of Katare Spinning Mills Limited

Standalone Financial Statements

I have audited the accompanying standalone financial statements of Katare Spinning Mills Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (statement of changes in equity), the Cash Flow Statement for the year then ended, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit.

I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

I conducted my audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the 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 financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the standalone financial statements.

### **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 lakh 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.

## Katare Spinning Mills Ltd.

The Company has settled the said loan with Kotak Mahindra Bank Ltd for an agreed amount of Rs. 750 lakh of which Rs. 325 lakh was deposited before DRAT and Rs. 425 lakh 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 lakh when the loan was settled with ICICI Bank Ltd. The said balance is then reversed from Capital Reserve and the balance Rs. 600 lakh represented the amount of interest from the year 2002 to the date of settlement. The Company has deferred this interest amount of Rs. 600 lakh to be written off over a period of 7 years and have accordingly charged Rs. 172.00 lakh in the two years (2012-2013 & 2013-2014) but has not charged Rs. 258.00 lakh to the statement of profit and loss for the year under audit (Rs. 86.00 lakh for the year under review and Rs. 172.00 lakh in the preceding year 2014-15 and 2015-16) and balance Rs. 170.00 lakh should have been remained to be carried forward as deferred revenue expenditure.
- c. Trade Receivables to the extent of Rs. 3.60 lakh and other current assets/advances of Rs. 87.12 lakh aggregating to Rs. 90.72 lakh 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.261.28 lakh would have been increased by Rs. 518.72 lakh resulted into loss of Rs. 780.00 Lakh. To that extent it has resulted into overstatement of year end net Current Assets and Reserves and Surplus by Rs. 780.00lakh.
- e. No provision is made for payment for gratuity on actuarial basis as on 31<sup>st</sup> March 2017 hence its impact on the net profit could not be ascertained as referred to Note No. 27(b) in the notes on accounts.

### Qualified Opinion

In my opinion and to the best of my information and according to the explanations given to me, except for the effects of the matter described in the Basis for Qualified Opinion Paragraph, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its Loss and its cash flows for the year ended on that date.

### 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 in terms of sub-section (11) of section 143 of the Act, I give in "Annexure A" a statement on matters specified in paragraphs 3 and 4 of the said order.
2. As required by Section 143 (3) of the Act, I report that:
  - (a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
  - (b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In my opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with rule issued thereunder;
  - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the Internal Financial controls over financial reporting of the Company and the operative effectiveness of such controls, refer to my separate in "Annexure B", and

## **Katare Spinning Mills Ltd.**

- (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, in my opinion and to the best of my information and according to the explanations given to me:
- i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
  - iv. The company has provided requisite disclosure in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books maintained by the company. Refer Note 29 to the standalone financial statements.

For G. M. Pawle  
Chartered Accountant,

G. M. Pawle  
Proprietor  
ICAI Membership No.: 032561  
Solapur, 29<sup>th</sup> May, 2017

## Katare Spinning Mills Ltd.

### **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

The annexure referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March 2017, I report that

- (i) In respect of its fixed assets :
- a) The Company has maintained proper records showing full particulars, including quantitative details and the situation of the fixed assets.
  - b) Fixed assets have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management which, in my opinion, provides for physical verification of all the fixed assets at reasonable intervals. No material discrepancies were noticed on such verification. In my opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.
  - c) According to the information and explanation given to me and on the basis of my examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) In respect of its inventory :
- a) The inventories of finished goods, semi-finished goods, stores, spare parts and raw materials were physically verified at regular intervals by the Management.
  - b) The procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The Company has maintained proper records of its inventories. According to information and explanation given to me, the discrepancies noticed on physical verification of stocks as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) The Company has not granted any loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 and therefore paragraph 3(iii) of the Order is not applicable.
- (iv) In my opinion and according to information and explanations given to me the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) I have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government under Section 148(1) of the Companies Act, 2013 and I am of the opinion that prima facie the prescribed cost records have been made and maintained. I have, however, not made a detailed examination of these records with a view to determining whether they are accurate or complete.
- (vii) In respect of statutory dues:
- a) According to the information and explanation given to me and on the basis of my examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees State Insurance, income-tax, sales tax, value added tax, wealth tax, service tax, excise duty, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities except outstanding Maharashtra Value Added Tax Liability of Rs. 7,98,948.
- According to the information and explanation given to me, no undisputed amounts payable in respect of provident fund, income-tax, wealth tax, excise duty, sales tax, value added tax, cess and other material statutory dues were in arrears as at 31 March, 2017 for a period of more than six months from the date they became payable.



## Katare Spinning Mills Ltd.

- b) According to the information and explanation given to me, there are no material dues of statutory nature which have not been deposited with the appropriate authorities on account of any dispute, except the following dues which have not been deposited by the company on account of disputes:

Name of the Statute	Nature of dues	Amount (in Rs.)	Period to which the amount relates	Forum where the dispute is pending
MVAT Act, 2002	Sales Tax, interest and penalty	49,670	FY 2005-06	DCST-Appeals, Solapur
MVAT Act, 2002	Sales Tax, Interest and penalty	7,40,935	FY 2006-07	DCST-Appeals, Solapur
MVAT Act, 2002	Sales Tax, interest and penalty	10,55,741	FY 2008-09	DCST-Appeals, Solapur
MVAT Act, 2002	Sales Tax, Interest and Penalty	26,52,358	FY 2010-11	DCST-Appeals, Solapur
Central Sales Tax, 1956	Sales Tax, Interest and penalty	8,44,727	FY 2005-06	DCST-Appeals, Solapur
MVAT Act, 2002	Sales Tax, Interest and Penalty	3,10,829	FY 2006-07	DCST-Appeals, Solapur

- (viii) The Company has defaulted in the repayment of Installments of Term loan of Rs. 2,35,62,000 and unpaid interest thereon of Rs. 74,40,022, unapplied interest on term loan Rs. 2,79,93,575 and unapplied interest on cash credit of Rs. 1,63,42,412 to Bank of India (aggregating towards loan Rs. 7,53,38,009) and the Special Capital Incentive in the form of loan of Rs. 3,16,139 aggregating to Rs. 7,56,54,148 which remained unpaid as at the date of the Balance Sheet.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly paragraph 3(ix) of the order is not applicable.
- (x) According to the information and explanation given to me, no material fraud by the Company or on the Company by its officers or employees have been noticed or reported during the course of my audit.
- (xi) According to the information and explanation given to me and on the basis of my examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- (xii) In my opinion and according to the information and explanations given to me, the Company is not a nidhi company. Accordingly paragraph 3(xii) of the order is not applicable.
- (xiii) According to the information and explanation given to me and on the basis of my examination of the records of the Company, transaction with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to me and based on my examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanation given to me and on the basis of my examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly paragraph 3(xv) of the order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For G. M. Pawle  
Chartered Accountant,

G. M. Pawle  
Proprietor  
ICAI Membership No.: 032561  
Solapur, 29<sup>th</sup> May, 2017

## **Katare Spinning Mills Ltd.**

### **“Annexure B” to the Independent Auditor's Report of even date on the Standalone Financial Statements of Katare Spinning Mills Limited.**

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

I have audited the internal financial controls over financial reporting of Katare Spinning Mills Limited (“the Company”) as of 31 March, 2017 in conjunction with my audit of the standalone 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.

#### **Auditor's Responsibility**

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my 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 I 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.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My 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 financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## **Katare Spinning Mills Ltd.**

### **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 my opinion, 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, 2017, 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 G. M. Pawle  
Chartered Accountant,

G. M. Pawle  
Proprietor  
ICAI Membership No.: 032561  
Solapur, 29<sup>th</sup> May, 2017

## Katare Spinning Mills Ltd.

### BALANCE SHEET AS AT 31 MARCH, 2017

Sr. No.	Particulars	Note No.	As at 31st March 2017	As at 31st March 2016
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
1	<b>Shareholders' funds</b>			
	(a) Share Capital	3	28500000.00	28500000.00
	(b) Reserves and surplus	4	48888501.28	75016959.47
2	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	5	84271793.37	99140946.00
	(b) Deferred tax liabilities (net)	6	0.00	0.00
	(c) Other long-term liabilities	7	521697.00	552783.00
	(d) Long-term provisions			
3	<b>Current liabilities</b>			
	(a) Short-term borrowings	8	115684255.23	130116599.58
	(b) Trade payables	9	30487337.20	29551923.91
	(c) Other current liabilities	10	94363574.93	57171298.61
	(d) Short-term provisions	11	988423.72	1271424.00
	<b>TOTAL</b>		<b>403705582.73</b>	<b>421321934.57</b>
<b>B</b>	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	12.A	196815931.28	203590562.78
	(ii) Intangible assets	12.B	49402.48	35533.48
	(iii) Capital work-in-progress Including Advances	12.C	7648555.00	7910933.00
	(b) Non-current investments	13	11200.00	11200.00
	(c) Long-term loans and advances	14	0.00	0.00
	(d) Other non-current assets	15	87054681.07	87753313.91
	(e) Deferred tax Assets (net)	6	29004000.00	17471000.00
2	<b>Current assets</b>			
	(a) Current investments			
	(b) Inventories	16	23557750.00	20906091.00
	(c) Trade receivables	17	19057381.13	15354195.35
	(d) Cash and cash equivalents	18	24162930.39	24297707.75
	(e) Short-term loans and advances	19	7054331.75	34712802.02
	(f) Other current assets	20	9289419.63	9278595.28
	<b>TOTAL</b>		<b>403705582.73</b>	<b>421321934.57</b>

Notes forming part of the financial statements 1-31  
In terms of my report attached.

For and on behalf of the Board of Directors

Solapur  
29th May, 2017

(G.M.Pawle)  
Chartered Accountant

K T KATARE (Managing Director)  
S T KATARE (Director)  
Mrs V K KATARE (Director)

## Katare Spinning Mills Ltd.

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2017

Sr. No.	Particulars	Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
1	Revenue from operations	21	355855143	329264081
2	Other income	22	4968920	25646308
3	Total revenue (1+2)		360824063	354910389
4	Expenses			
	(a) Cost of materials consumed	23.a	58282550	63345614
	(b) Purchases of stock-in-trade	23.b	236262500	198240000
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23.c	2923704	-515416
	(d) Employee benefits expense	24	22636643	22703371
	(e) Finance costs	25	30569936	31914711
	(f) Depreciation and amortisation expense			
	Depreciation for the year	12	11035082	10886324
	(g) Other expenses	26	41746438	40432991
	Total expenses		397609445	368038426
5	Loss before exceptional and extraordinary items and tax (3-4)		-36785383	-13128037
6	Exceptional items		0	0
7	Loss before extraordinary items and tax (5+6)		-36785383	-13128037
8	Extraordinary items		0	0
9	<b>Loss before tax (7 ± 8)</b>		-36785383	-13128037
10	Tax expense:			
	Less:-Current tax expense for current year		0	0
	Less:-Tax expense relating to previous year (including MAT)		952398	0
	Add:- Excess bonus provision reversed		76323	291424
	Add/Less:-Deferred tax		11533000	9440000
11	Profit / (Loss) from continuing operations (9 ±10)		-26128458	-3396613
12	Profit / (Loss) from discontinuing operations		0	0
13	<b>Profit/(Loss) for the year (11±12)</b>		-26128458	-3396613
14	Earnings per share (of 10/- each):			
	(a) Basic		0	0
	(b) Diluted		0	0

Notes forming part of the financial statements 1-31  
In terms of my report attached.

For and on behalf of the Board of Directors

Solapur  
29th May, 2017

(G.M.Pawle)  
Chartered Accountant

K T KATARE (Managing Director)  
S T KATARE (Director)  
Mrs V K KATARE (Director)

# Katare Spinning Mills Ltd.

## **Notes forming part of the Financial Statements**

### **1. Corporate Information**

The company is engaged in the business of manufacturing of cotton yarn, Solar Power Generation and also engaged in the hospitality business. The cotton yarn manufacturing unit and Solar Power Generation units are situated at Tamalwadi, Taluka – Tuljapur, District - Osmanabad. It's Hotel viz. Hotel Tripursundari is situated at Civil Lines, Solapur.

### **2. Accounting Policies and Other Information**

#### **A. Significant Accounting Policies:**

##### **1) System of Accounting:**

- The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.
- The financial statements have been prepared in all material respects with Accounting Standards as relevant and notified by the Central Government.
- The financial statements are prepared on historical cost basis and as a going concern basis.

##### **2) Revenue recognition:**

- Sale of goods is recognized at the point of dispatch of goods to the Customers. Gross sale is inclusive of Excise Duty when applicable and is net of returns and Value Added Tax.
- Income from guest accommodation in respect of hotel division is recognized on day to day basis after the guests checks-in. Discounts, if any, in this regard are accounted upon final conclusion of the bill with the guests. Any advance received in respect of the same is treated as a liability pending finalization of bill/provision of services. Income from sale of Food & Beverages is recognized at the point of serving of these items to the guests. The income stated is inclusive of luxury tax, service charge and VAT but net of complimentary and discounts.
- Dividends from investment are recognized as income of the year in which the same are declared by the investee company.
- In the current financial year, Solar Power project generation is used for captive consumption. Same is treated as income and booked as expenditure being used at the prevailing rates as if, purchased from MSEDCL.

##### **3. Tangible Fixed Assets and Depreciation:**

Fixed Assets are carried at cost of acquisition including any attributable cost of bringing the assets to its working condition for its intended use and net of Cenvat or any other claim receivable less accumulated depreciation.

Depreciation is provided in accordance with Schedule II of the Companies Act, 2013 in respect of the remaining useful life of the asset as far as the existing assets are concerned.

##### **4. Investments:**

Investments are stated at cost.

##### **5. Inventories:**

- Finished goods are valued at lower of cost or Net Realizable Value. Cost for this purpose is arrived at on Absorption costing basis. Excise duty is included in valuation of finished goods.
- Stock in process/plant is valued at cost.

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- Stock of raw materials, Stores and Spares and packing materials are valued at cost. Cost for this purpose, does not include duties/taxes that are recoverable in future.
  - Food & Beverages:
    - 1) Groceries: Groceries is valued at cost arrived at on weighted average basis.
    - 2) Beverages: Valued at cost.
6. **Staff Benefits:**
- The Company's contribution to Provident Fund and pension fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.
  - Gratuity is accounted for on actual payment basis. But, no provision is made for payment of Gratuity on actuarial basis as on 31<sup>st</sup> March, 2017 hence its impact on the net profit could not be ascertained.
7. **Research and Development:**
- Revenue expenditure on research and development is charged to Statement of profit and loss in the year in which is incurred. Capital expenditure on research and development is treated at par with fixed assets and depreciated as such.
8. **Deferred Taxation:**
- Accounting treatment in respect of deferred taxation is in accordance with Accounting Standard 22 – “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India.
- Deferred tax liability is measured as per the tax rates/laws that have been enacted or substantively enacted by the Balance sheet date.
9. **Minimum Alternate Tax:**
- Minimum Alternate Tax paid in accordance with tax laws, which gives rise to the future economic benefits in the form of adjustment to future income tax liability, is considered as asset in the balance sheet when it is probable that future economic benefit associated with it will flow to the company and the asset can be measured reliably.
10. **Borrowing Costs:**
- Costs in respect of borrowings for the purpose of expansion/additional fixed investments including Research & Development projects are capitalized to such investments.
- Borrowing costs relating to period after the commencement of operations of the project are charged to revenue.
11. **Foreign Currency Transactions:**
- There was no any foreign currency transactions held during the financial year under review.
12. **Impairment of Assets:**
- The carrying amounts of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital. In carrying out such exercise, due effect is given to the requirements of Schedule II to Companies Act, 2013.

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### B) Segment Reporting:

The company operates in three segments viz. Spinning Mill, Hotel and Solar Power segment. Solar power segment started actual functioning in the last financial year.

The segment results are as under: (Rs. in lakh)

SEGMENT REVENUE	Spinning Division		Hotel Division		Solar Power		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Sales Revenue	3171	2886	387	407	126	113	3684	3293
Segment Result	(70)	144	12	47	66	58	8	249
Unallocated Corporate Expenses	(7)	(7)	0	0	0	0	(7)	(7)
Unallocated Corporate Income	15	15	0	0	0	0	15	15
Operating Profit	(62)	152	12	47	66	58	16	257
Interest Expenses	(132)	(147)	(27)	(27)	(147)	(145)	(306)	(319)
Interest Income	1	1	28	27	0	0	29	28
Profit/loss from ordinary activities	(193)	6	13	47	(81)	(87)	(261)	(34)
Extra-Ordinary items	0	0	0	0	0	0	0	0
Net Profit/loss	(193)	6	13	47	(81)	(87)	(261)	(34)
<b>OTHER INFORMATION:</b>								
Segment Assets	2363	2886	817	813	857	914	4037	4613
Segment Liabilities	2738	2682	442	813	857	1118	4037	4613
Depreciation (net)	28	27	22	27	60	55	110	109

Power generated in solar division 14,32,805 units consumed captively for spinning division, which is valued at Rs. 125 lakh.

### C) Contingent Liabilities:

A provision is recognized when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at Balance Sheet Date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.



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**D) Related Party transactions:**

All the Relater Party transactions are on arm's length basis and are conducted for normal course of business of the Company.

Name of the related party	Relation ship	Nature of Transaction	Transaction Value	Balance outstanding Payable as on date of Balance Sheet	Amount written off/back
Kishore T Katare	Managing Director	a.Remuneration	650000		
		b. Closing balance Cr.		555260	
		c. Sales	4180420		
		d. Amount Paid	465000		
		e. Purchase	3776000		
		f. Amount Received	1098140		
		g. Closing Balance (Sundry Debtors) Dr.		1188270	
		h. Closing balance (Ganesh Textile) Cr.		2146149	
		i. Closing balance (Unsecured Loan) Cr.		1049133	
		j. Amount paid	1120000		
		k. Closing Balance (Hotel) Dr.		1323842	Nil
Subhash T Katare	Director	a. Sales ( Less return)	192240		
		b. Amount Paid	282000		
		c. Directors Sitting Fees	12000		
		d. Rent paid	10000		
		e. Amount Received	565000		
		f. Closing Balance (Sundry Debtors) Dr.		454623	
		g.Open./Clos.balance (Unsecured Loan) Cr.		351262	Nil
Sou. Vidyavati K Katare	Director	a. Director Sitting Fees	12000		
		b. Closing Balance Cr.		22500	Nil
Kamal Marketing Pvt. Ltd.	Associates Enterprise	a Yarn purchase	168137000		
		b. Yarn sales	168032000		
		c. Cotton processing charges received	420460		
		d. Electricity charges received	804393		
		f. Rent received	25000		
		g. Amount paid	13455988		
		h. Amount received	16391169		
		i. Closing Cr balance		11938649	Nil

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Katare Cotton Waste Spg. Mills	Associates Enterprise	a Yarn sales b. Cotton purchase c. Cotton sales d. Yarn purchase e. Closing Cr balance f. Unsecured loan (Hotel) Cr	78697200 1106404 411349 64349500	10328631 1111067	Nil
Rakesh Vijay Katare	Son of deceased Director	a. Remuneration b. Closing balance Dr.	642442	25315	
Sachin Textile	Daughter in law of director	a. Sales (less return) b. Amount paid c. Amount received d. Closing balance Dr	77460 7000 220000	15956	Nil
Shakuntala T Katare	Wife of deceased Director	a. Amount paid b. Closing balance Cr	25000	252867	Nil
Vijay Textiles	Deceased Director	a. Sales (less return) b. Amount paid c. Amount received d. Rent paid e. Closing balance Dr.	190240 35000 455000 12000	517320	Nil

### Additional Information pertaining to Statement of Profit and Loss Account:

Sr. No.	Nature of Income/ Expenses	Current Year		Previous Year	
		Amount In Foreign Currency	Amount in INR	Amount In Foreign Currency	Amount in INR
1.	Export Earning	0	0	0	0

**E) Previous year's figures are regrouped and reclassified wherever considered necessary.**

## Katare Spinning Mills Ltd.

### Notes forming part of the financial statements

#### Note 3: Share Capital

Sr. No.	Particulars	As at 31st March 2017		As at 31st March 2016	
		Number of shares	Value in Rs.	Number of shares	Value in Rs.
<b>A</b>	<b>Authorised Capital</b>				
	Equity shares of 10/- each with voting rights	60,00,000	60000000	60,00,000	60000000
<b>B</b>	<b>Issued Capital</b>				
	Equity shares of 10/- each with voting rights	28,50,000	28500000	28,50,000	28500000
<b>C</b>	<b>Subscribed and fully paid up Capital</b>				
	Equity shares of 10/- each with voting rights	28,50,000	285000000	28,50,000	285000000
<b>D</b>	Subscribed but not fully paid up	0	0	0	0
	Total	28,50,000	28500000	28,50,000	28500000

#### a. Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

	Equity shares	No. of shares	Value in Rs.
	No. of shares outstanding at the beginning of the year	28,50,000	28500000
	Add : further issue during the period	0	0
	No. of shares outstanding at the end of the period	28,50,000	28500000

#### b. Terms/rights attached to share

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. The company declares and pays dividends in Indian Rupees.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

#### c. Shareholding of more than 5%

Sr. No.	Name of the Shareholder	As at 31st March 2017		As at 31st March 2016	
		% held	No. of shares	% held	No. of shares
1	Kishore Tippanna Katare	12.20	347682	12.28	350072
2	Subhash Tippanna katare	11.71	333755	11.79	336005
3	Shakuntala Tulshidas Katare	13.43	382658	13.43	382651
4	Tippanna Tulsiram Katare (deceased)	10.04	286236	10.04	286236
5	Balram Bharwani	5.72	163000	-	-

**d. Shares reserved for issue under options** Nil

**e. Employees Stock Option Scheme** Nil

**f. Bonus shares/Buy Back/Shares for consideration other** Nil

## Katare Spinning Mills Ltd.

### Note 4: Reserves and Surplus

Sr. No.	Particulars	As at 31st March 2017	As at 31st March 2016
<b>I</b>	<b>Share Premium</b>	49068.00	49068.00
<b>ii</b>	<b>Capital Reserve</b>	58422.90	58422.90
<b>iii</b>	<b>General Reserve</b>	6032884.30	6032884.30
<b>iv</b>	<b>Revaluation Reserve</b>	57580813.00	60234703.35
	Less: Reserve Reversed on Asset Disposal	0	2653890.00
	Closing balance of revaluation reserve	57580813.00	57580813.35
<b>vi</b>	<b>Surplus as per statement of profit and loss</b>		
	Balance brought forward	11295770.92	14692384.00
	Add Profit/loss for the period	-26128457.84	-3396613.08
	Closing balance of surplus	-14832686.92	11295770.92
	Total	48888501.28	75016959.47

### Note 5 : Long-term borrowings

Sr. No.	Particulars	Non Current Portion		Current Maturities	
		As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
(a)	<b>Term Loans</b>				
	From banks-secured				
	Bank Of India Term Loan-Solar Division	53586000	66438000	12852000	23562000
	Sub Total :-	53586000	66438000	12852000	23562000
(b)	<b>From other parties-secured</b>				
	Loan from LIC on Keyman Insurance Policy	27546000	27546000	0	0
	Int on LIC Loan Payable	2823654	4840807	0	0
	Special Capital Incentive	316139	316139		
	Sub Total :-	30685793	32702946	0	0
	Grand Total :-	84271793	99140946	12852000	23562000

#### 5.1 Additional information to Secured / Unsecured Borrowings

The long term portion of term loans are shown under long term borrowings & current maturities of long term borrowings are shown under the current liabilities. as per the disclosure requirements of the Act.

#### 5.2 Details of Securities & Terms of Repayment

- a) Loan from Life Insurance Corporation of India is secured by an assignment of Director's Key-man Life insurance policies in their favour.
- b) The Term loan from Bank of India is secured by hypothecation of Solar Power Project Machinery.

## Katare Spinning Mills Ltd.

### Note 6 : Deferred Tax Assets/Liabilities (Net)

Deferred tax assets for the period ended March 31, 2017 has been provided on the estimated tax computation for the year. Major components of deferred tax assets & liabilities arising on account of timing differences are :

Sr. No.	Particulars		As at 31st March 2017	As at 31st March 2016
A.	Deferred Tax Liabilities :			
	On account of timing difference in depreciation	--	33554000.00	31517000.00
	Others	--	10663000.00	10199000.00
	Subtotal A :	--	44217000.00	41716000.00
B.	Deferred Tax Asset :			
	Unabsorbed depreciation & losses	--	56867000.00	50517000.00
	Disallowances	--	13551000.00	5867000.00
	Provision for bad & doubt ful debts	--	2803000.00	2803000.00
	Subtotal B :	--	73221000.00	59187000.00
	<b>Deferred Tax Asset (A-B)</b>	--	<b>29004000.00</b>	<b>17471000.00</b>

### Note 7: Other long-term liabilities

<b>Others:</b>				
(i)	Interest accrued but not due on borrowings			
	Interest on LIC loan	--	521697.00	552783.00
(ii)	Others	--	0.00	0.00
	Total		521697.00	552783.00

### Note 8 : Short-term borrowings

<b>Loans repayable on demand</b>				
	From banks - secured			
(i)	Cash Credit	--	61619240.53	61634366.16
(ii)	FD-OD	--	35194547.70	36225527.42
(iii)	Unsecured Loans	--	18870467.00	32256706.00
		--	115684255.23	130116599.58

### Details of Securities & Terms of Repayment

- a. The cash credit loan from Bank of India is secured by hypothecation of all stock of raw material, stores, work in process, finished goods, book debts, equitable mortgage of Hotel property & second charge on the immovable properties of the company situated at Village - Tamalwadi, District - Osmanabad together with all buildings and structures thereon & all Plant & Machinery and joint and several guarantee of the Directors Shri K. T. Katare, Shri S T Katare and Miss. V K Katare.
- b. Overdraft from Kamala Co-op Bank is secured against Fixed Deposit of the Company with the said Bank & on third party deposit of Rs 12500000/- kamal marketing Pvt Ltd.

## Katare Spinning Mills Ltd.

### Note 9 : Trade payables

Sr. No.	Particulars		As at 31st March 2017	As at 31st March 2016
A.	<b>Trade payables:</b>			
	Other than Acceptances	--	30487337.20	29551923.91

### Note 10 : Other current liabilities

(a)	Int. accrued but not due on borrowings-Bank	--	0.00	0.00
(b)	Current maturities of long-term borrowings			
	Bank Of India Term Loan - Solar Division	--	12852000.00	23562000.00
(c)	Other payables			
(i)	Statutory remittances	--	2361827.40	1563649.24
(ii)	Advances from customers	--	666986.53	634282.53
(iii)	Unapplied Interest on CC		16342412.00	0.00
(iv)	Unapplied Interest on Term Loan		27993575.00	13244884.00
(v)	Unpaid Interest on term Loan		7440022.00	8540022.00
(vi)	Unpaid Instalment of Term Loan		23562000.00	0.00
(vii)	Outstanding Expenses	--	3144752.00	9626460.84
	Total	--	94363574.93	57171298.61

### Note 11 : Short-term provisions

(a)	<b>Provision for employee benefits:</b>			
(i)	Provision for bonus	--	988423.72	926091.00
(ii)	Provision for other employee benefits	--	0.00	310000.00
	Subtotal (a)	--	988423.72	1236091.00
(b)	<b>Provision - Others:</b>			
(i)	Provision for tax	--	0.00	35333.00
	Subtotal (b)	--	0.00	35333.00
	Grand Total	--	988423.72	1271424.00

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### Note 12 : Fixed assets

Sr	Particulars	Gross block				Accumulated depreciation and impairment				Net block	
		Balance as at 1 April, 2016	Additions	Disposals	Other adjustments	Balance as at 31 March, 2017	Balance as at 1 April, 2016	Depreciation / amortisation expense for the year	Depreciation on disposed Assets	Transitional revision of depreciation	Balance as at 31 March, 2017
<b>A. Tangible assets.</b>											
	<b>(a) Land</b>										
	Freehold	16350707	0	0	0	16350707	0	0	0	0	16350707
	<b>(b) Buildings</b>										
	Own use										
	Factory Building	87396109	0	0	0	87396109	1649395	0	0	53274388	34121721
	Solar Power Generation	7609622	231063	0	0	7840685	320922	0	0	673071	7288700
	Hotel Building	48584543	1803014	0	0	50387557	14073525	0	0	14858023	34511017
	<b>(c) Plant and Equipment</b>										
	Owned										
	Solar Power Generation	225142736	1026534	0	0	226169270	1723000	0	0	206443218	20422519
	Owned	89178586	56400	0	0	89234985	5650105	0	0	10850565	83978126
	<b>(d) Furniture and Fixtures</b>										
	Owned										
	Spinning Division	2774419	0	0	0	2774419	2412	0	0	2633286	143545
	Hotel Division	17653402	420690	0	0	18074092	505908	0	0	14758028	3401282
	<b>(e) Vehicles</b>										
	Owned	2664085	0	0	0	2664085	192731	0	0	2118129	738687
	<b>(f) Office equipment</b>										
	Owned	344076	0	0	0	344076	310612	0	0	312772	33464
	<b>(g) Others</b>										
	Owned										
	Computer Hardware	2343917	121677	0	0	2465594	1989361	0	0	2061512	404082
	Books	9671	0	0	0	9671	9187	0	0	9187	484
	Research & Devp. Equipments	380878	0	0	0	380878	361393	0	0	361466	19412
	Other Assets	4076453	589942	0	0	4666395	3569464	0	0	3645667	1020728
	Solar Power Generation	78703	0	0	0	78703	8817	0	0	21983	69886
	Total Tangible Assets	504587906	4249320	0	0	508837226	30097344	11023951	0	312021295	196815931
	<b>B. Intangible assets</b>										
	(a) Computer software	106456	25000	0	0	131456	70922	11131	0	82053	49402
	<b>Total Fixed Assets</b>	504694362	4274320	0	0	508968682	301068266	11035082	0	312103348	196865334
	<b>Total Previous year</b>	408644716	98843775	2794128	0	504694363	290181942	10886324	0	301068266	118462774
	<b>C Capital Work in Progress</b>	7910933.00	0	0	262378	7648555	0	0	0	0	7648555

Note : Land & leasehold land, Factory Building, Hotel Building & Machinery were revalued as on 31st March 2002 resulting in increase in value for these assets by Rs. 1,53,81,222/-, Rs. 5,09,59,442/- and Rs. 12,48,85,771/- respectively.

## Katare Spinning Mills Ltd.

### Note 13 : Non-current investments

Sr. No.	Particulars	As at 31st March 2017			As at 31st March 2016		
		Quoted	Unquoted	Total	Quoted	Unquoted	Total
	<b>Other Investments</b>						
	<b>Investment in equity instruments (i) of other entities</b>						
a)	Bank of India 200 equity shares of Rs. 10 each fully paid (Market value Rs 195.75/Share)	9000	0	9000	9000	0	9000
b)	Laxmi Co-op. Bank 1 equity share of Rs. 100 fully paid	0	100	100	0	100	100
c)	Kamala Co-op. Bank Ltd. 2 equity shares of Rs. 1000 each fully paid	0	2000	2000	0	2000	2000
d)	Kamala Sakhar Udhog Ltd 1 equity share of Rs. 100 fully paid (unquoted)		100	100		100	100
	Total - Other Investments	9000	2200	11200	9000	2200	11200



## Katare Spinning Mills Ltd.

### Note 14 : Long-term loans and advances

Sr. No.	Particulars		As at 31st March 2017	As at 31st March 2016
	Capital advances	--	0.00	0.00
	Total	--	0.00	0.00

### Note 15 : Other Non-current Assets

(a)	Security deposits	--	1528044.00	1293988.00
(b)	MAT credit entitlement - Unsecured, considered good	--	5090233.00	4806408.00
(c)	Balances with government authorities	--	3136404.07	5852917.91
(d)	Other	--	77300000.00	75800000.00
	Total	--	87054681.07	87753313.91

In the past company had availed a term loan for its hotel project at solapur from ICICI Bank Ltd. Which said bank had assigned to Kotak Mahindra Bank Ltd. Consequent upon settlement in the year 2012-13 with Kotak Mahindra Bank Ltd. the company has fully paid the loan plus interest of Rs. 600.00 Lacs and there is no outstanding loan. However the interest paid of Rs. 600.00 Lacs for the year 2002 to 2013 was decided to be written off in 7 years. Accordingly company has written off Rs. 86 Lacs each in the first two years but after that the company has not written off Rs. 86.00 lacs each in the last and for the year under review. Balance of Rs. 428.00 Lacs is included in Note No. 15(d) above & same will be written off in next 5 years.

### Note 16 : Inventories

(At lower of cost and net realisable value)

(As taken valued & certified by the Managing Director)

(a)	Raw materials	--	2162523.00	2494012.00
(b)	Work-in-progress	--	3174310.00	1376877.00
(c)	Finished goods (other than those acquired for trading)	--	13740097.00	12525799.00
(d)	Stock-in-trade (acquired for trading)	--	1888000.00	1888000.00
(e)	Stores and spares	--	2216643.00	2249988.00
(f)	Others			
	Food & Beverages	--	213866.00	173513.00
	Wastage & Scrap	--	108771.00	196798.00
	diesel (fuel)	--	53540.00	1104.00
	Total	--	23557750.00	20906091.00

### Note 17 : Trade receivables

(Unsecured, considered good)

(a)	<b>Trade receivables</b> outstanding for a period exceeding six months	--	2745139.06	2425126.06
(b)	<b>Other Trade receivables</b> outstanding for a period less than six months	--	16312242.07	12929069.29
	Total	--	19057381.13	15354195.35

a Trade receivable to the extent of Rs. 359710/- are bad for which no provision is made.

## Katare Spinning Mills Ltd.

**Note 18 : Cash and cash equivalents**

Sr. No.	Particulars		As at 31st March 2017	As at 31st March 2016
(a)	Cash on hand	--	229395.93	627333.93
(b)	Balances with banks			
(i)	In current accounts	--	22512.24	16180.31
(ii)	In deposit accounts	--	23911022.22	23654193.51
	Total	--	24162930.39	24297707.75

**Note 19 : Short-term loans and advances**

(Unsecured, considered good)

(a)	Loans and advances to related parties	--	30315.00	641450.00
(b)	Prepaid expenses	--	174870.00	176622.00
(c)	Balances with government authorities			
(i)	a. Income tax / TDS	--	322881.00	323102.02
	b. Advance income tax	--	0.00	466404.00
	c. TCS Income tax- Hotel	--	0.00	1775.00
(d)	Others	--	6526265.75	33103449.00
	Grand Total	--	7054331.75	34712802.02

**Short-term loans and advances include amounts due from:**

i	Pvt. companies in which any director is a director/member			
	Kamala Sakhar Udyog Ltd.	--	5000.00	5000.00
			5000.00	5000.00

**Note 20: Other current assets**

(a)	Accruals			
	Interest accrued on deposits	--	137103.00	126278.00
(b)	Others			
	Others	--	9152316.63	9152317.28
	Total	--	9289419.63	9278595.28

- a. Other current assets includes Rs. 87,12,217/- which are considered bad for which no provision is made. This amount of Rs. 87,12,217/- is recoverable from Maharashtra State Cotton Growers Marketing Federation and in the opinion of the company same is fully recoverable.

## Katare Spinning Mills Ltd.

### Note 21 : Revenue from operations

Sr. No.	Particulars		For the year ended 31st March 2017	For the year ended 31st March 2016
(a)	Sale of products	--	325214721.00	297428415.88
(b)	Sale of services	--	17120271.78	19796652.00
(c)	Other operating revenues	--	940122.00	744345.50
(d)	Solar Power Generation (capitively consumed)	--	12580028.00	11294668.00
	<b>Total Revenue from operations</b>	--	<b>355855142.78</b>	<b>329264081.38</b>

#### Note:

(i)	<b>Sale of products comprises :</b>			
	<b>Manufactured goods</b>			
	Cotton Yarn (With Return )	--	66553300.00	77574539.00
	Sale of foods and beverages	--	22413921.00	21613876.88
	Total - Sale of manufactured goods	--	88967221.00	99188415.88
	<b>Traded goods</b>			
	Cotton Yarn	--	236247500.00	198240000.00
	<b>Total - Sale of products</b>	--	<b>325214721.00</b>	<b>297428415.88</b>
(ii)	<b>Sale of services comprises</b>			
	Room Rent - Hotel	--	16345421.78	19096868.00
	Service charges (Management share - Hotel)	--	0.00	0.00
	Cotton processing Charges	--	429040.00	262695.00
	Hank yarn receipt	--	345810.00	437089.00
	<b>Total - Sale of services</b>	--	<b>17120271.78</b>	<b>19796652.00</b>
(iii)	<b>Other operating revenues comprise:</b>			
	Sale of scrap	--	940122.00	744345.50

### Note 22 : Other income

(a)	Interest income (Refer Note (i) below)	--	2886286.00	2766979.00
(b)	Dividend Income from other long term investments	--	240.00	1240.00
(c)	Insurance claim received			
	Spinning Division	--	0.00	0.00
	Hotel Division	--	0.00	860722.00
(e)	Rent received			
	Spinning Division	--	25000.00	25000.00
(f)	Other non-operating income (Refer Note (ii) below)	--	2057394.00	21992367.00
	<b>Total</b>	--	<b>4968920.00</b>	<b>25646308.00</b>

## Katare Spinning Mills Ltd.

### Notes : Forming part of the financial statements

Sr. No.	Particulars		For the year ended 31st March 2017	For the year ended 31st March 2016
(i)	<b>Interest income comprises:</b>			
	Interest from banks on deposits:			
	Spinning Division	--	39774.00	38932.00
	Hotel Division	--	2712163.00	2638992.00
	<b>Other interest</b>			
	Interest on MSEB deposit			
	Spinning Division	--	50400.00	37561.00
	Hotel Division	--	83949.00	51494.00
	<b>Total - Interest income</b>	--	<b>2886286.00</b>	<b>2766979.00</b>
(ii)	<b>Other non-operating income comprises:</b>			
	<b>Spinning Division</b>			
	Accrued Bonus on key Man Policies	--	1500000.00	1500000.00
	Profit on sale of assets	--	0.00	18330090.00
	Compensation Against Const. Work/Damages	--	0.00	975231.00
	Sales Tax Refund	--	0.00	438498.00
	Interest Received on Sales Tax Refund	--	0.00	52619.00
	<b>Hotel Division</b>			
	Food deduction from employees	--	332439.00	321881.00
	Miscellaneous receipts	--	127899.00	197980.00
	P/A system	--	59042.00	100254.00
		--	38014.00	75814.00
	Venue charges			
	<b>Total - other non operating income</b>	--	<b>2057394.00</b>	<b>21992367.00</b>

### Note 23.a Cost of materials consumed

A	<b>Spinning Division</b>			
i	Opening stock	--	2494012.00	412442.00
ii	Add: Purchases of raw cotton	--	50814270.83	57383634.20
iii	Subtotal	--	53308282.83	57796076.20
	Less : Sale of Raw Cotton		403284.00	0.00
iv	Less: Closing stock	--	2162523.00	2494012.00
	<b>Raw material (cotton) consumed</b>	--	<b>50742475.83</b>	<b>55302064.20</b>
B	<b>Hotel Division</b>			
i	Opening stock	--	173513.00	175426.00
ii	Add: Purchases food & beverages	--	7580427.28	8041636.50
iii	Subtotal	--	7753940.28	8217062.50
iv	Less: Closing stock	--	213866.00	173513.00
	<b>Food &amp; beverages consumed</b>	--	<b>7540074.28</b>	<b>8043549.50</b>
	<b>Total cost of material consumed</b>	--	<b>58282550.11</b>	<b>63345613.70</b>

## Katare Spinning Mills Ltd.

### Note 23.b Purchase of traded goods

Sr. No.	Particulars		For the year ended 31st March 2017	For the year ended 31st March 2017
i	Cotton Yarn	--	236262500.00	198240000.00
<b>Total</b>				

### Note 23.c Changes in inventories of finished goods, work-in-progress and stock-in-trade

A	<u>Inventories at the end of the year:</u>			
i	Finished goods	--	13740097.00	14413799.00
ii	Work-in-progress	--	3174310.00	1376877.00
iii	Wastage & scrap	--	108771.00	196798.00
		--	17023178.00	15987474.00
B	<u>Inventories at the beginning of the year:</u>			
i	Finished goods	--	12525799.00	15766896.00
ii	Work-in-progress	--	1376877.00	714252.00
iii	Wastage & scrap	--	196798.00	21742.00
		--	14099474.00	16502890.00
<b>Net (increase) / decrease</b>		--	2923704.00	-515416.00

### Note 24 : Employee benefits expense

(i)	Salaries and wages	--	20724932.88	20792906.84
(ii)	Contributions to provident and other funds	--	1752851.00	1793640.00
(iii)	Staff welfare expenses	--	158859.00	116824.00
<b>Total</b>		--	22636642.88	22703370.84

### Note 25 : Finance costs

(a)	Interest expense on:			
(i)	Borrowings			
	On term loan	--	14748691.00	14454233.00
	Bank interest	--	12824314.00	12631618.00
	Other interest (LIC loan)	--	2963877.00	3101052.00
	Interest Paid Others (Unsecured Loan)	--	33054.00	1727808.00
<b>Total</b>		--	30569936.00	31914711.00

## Katare Spinning Mills Ltd.

### Note 26 : Other expenses

Sr. No.	Particulars		For the year ended 31st March 2017	For the year ended 31st March 2016
1	Consumption of stores and spare parts	--	3783592.62	3882973.00
2	Consumption of packing materials	--	568291.00	767798.00
3	Power and fuel	--	24378975.00	23926839.79
4	Rent	--	22000.00	22000.00
5	Repairs and maintenance - Buildings	--	904067.00	994886.00
6	Repairs and maintenance - Machinery	--	990850.00	1025183.98
7	Repairs and maintenance - Others	--	485707.00	401522.00
8	Insurance	--	1072946.00	1003826.00
9	Rates and taxes	--	1020310.00	1034167.82
10	Communication	--	197162.00	256821.59
11	Travelling and conveyance	--	640872.80	745765.00
12	Printing and stationery	--	196063.80	220137.42
13	Freight and forwarding	--	698910.00	900381.00
14	Sales commission	--	217659.00	293582.00
15	Legal and professional	--	1403245.00	1001269.00
16	Payments to auditors	--		
	- As auditors - statutory audit	--	81800.00	69845.00
17	Bank charges	--	203570.33	433953.39
18	Directors sitting fees	--	30000.00	35000.00
19	Advertisement	--	66915.00	66617.00
20	M VAT Reduction	--	1867114.00	2152431.20
21	Laundry expenses	--	189757.00	190781.00
22	News papers & periodicals	--	64571.00	65468.00
23	Miscellaneous expenses	--	646707.88	635494.73
24	Local Body tax	--	0.00	306248.00
25	Sales Tax Paid	--	2015352.01	0.00
	<b>Total</b>	--	41746438.44	40432990.92

## Katare Spinning Mills Ltd.

Note 27: Earnings Per Share (EPS) :

Particulars	31.03.2017	31.03.2016
a. Net Profit/(Loss) as per profit and loss a/c available for equity share holders	(26128458)	(3396613)
b. Weighted average no. of equity shares	2850000	2850000
c. Earnings/(Loss) per share	(9.17)	(0.14)

Note: There are no diluted equity shares therefore; no working is given for diluted earnings per share.

Note 28: Deferred Taxation:

(Rs. In Lacs)

Particulars	Balance as on 31.03.2016	Arising during the year	Balance as on 31.03.2017
<b>A. Deferred Tax Liabilities:</b>			
- on account of timing difference in depreciation	315.17	20.37	335.54
- Others	101.99	4.64	106.63
Sub Total A:	417.16	25.01	442.17
<b>B. Deferred Tax Assets</b>			
- Unabsorbed depreciation and losses	505.17	63.50	568.67
- Disallowances	58.67	76.84	135.51
- Provision for Bad & Doubtful Debts	28.03	0	28.03
Sub Total B:	591.87	140.34	732.21
<b>C. Deferred Tax Assets/Liab (B-A)</b>	174.71	115.33	290.04

Company has made provision for deferred tax liability as above.

Note 29: Specified Bank Notes (SBN) 08.11.2016 to 30.12.2016

Particulars	SBNs Rs.	Other denomination Notes Rs.	Total Rs.
Closing cash in hand as on 08.11.2016	1100000	354143.93	1454143.93
Permitted receipts	0	2272683.00	2272683.00
Permitted payments	1100000	2201454.50	3301454.50
Closing cash in hand as on 30.12.2016	0	425372.43	425372.43

Note 30: Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/disclosure.

Note 31 : Balances of Trade payables, Loans & advances & trade receivables have been taken as per books awaiting respective confirmation & reconciliation.

As per my report of even date

for and on behalf of the Board of Directors

G. M. Pawle  
Chartered Accountant  
ICAI M No. 032561  
Solapur  
29<sup>th</sup> May, 2017

Kishor T. Katare (Managing Director)

Subhash T. Katare (Director)

Miss V K Katare (Director)

## Katare Spinning Mills Ltd.

### Cash Flow Statement For The Year Ended - 31st March 2017

Sr. No.	Particulars	Current year	Previous Year
<b>A</b>	<b><u>Cash flow from operating activities</u></b>		
	<b><u>Profit before tax</u></b>	<b>-36785383</b>	<b>-13128037</b>
	<b><u>adjustmenr for</u></b>		
	Depreciation & Amortisation	11035082	10886324
	Depreciation written back	0	0
	Revaluation Reserve	0	0
	Provision for Dividend	0	0
	Last year Bonus excess provision reversed	76323	291424
	Finance Cost	30569936	31914711
	Tax expenses relating to previous year	-952398	0
	<b>Other non operating Income-(Interest/Rent /divid )</b>		
	Interest income	-2886286	-2766979
	Insurance Claim received	0	-860722
	Dividend Income	-240	-1240
	Rent Received	-25000	-25000
	Other Non operating Income	-2057394	-21992367
	<b>Operating Profit before working capital changes</b>		
	<b><u>Changes In Working Capital</u></b>	<b>-1025360</b>	<b>4318114</b>
	<b>Adjustments for (increase)/decrease in operating assets:</b>		
	Inventories		
	Trade receivables	-2651659	-1332113
	Short-term loans and advances	-3703186	-4171192
	Other current assets	27658470	-22675023
	Loans and advances - (Assets)	-10825	1619130
	Other non-current operating assets	698633	491378
	<b>Adjustments for increase/(decrease) in operating liabilities:</b>		
	Short-Term Borrowings		
	Trade Payables	-25142344	8753579
	Other Current Liabilities	935414	18188634
	Short-Term Provisions	47902276	19371990
		-283000	-3870
	Cash genrated from Operations	45403779	18785296
	Finance Cost		
	Taxes Paid	-30569936	-31914711
	Net Cash flow from Operating activites (A)	0	0
		13808483	-8811301



## Katare Spinning Mills Ltd.

### Cash Flow Statement For The Year Ended - 31st March 2017

Sr. No.	Particulars	Current year	Previous Year
<b>B</b>	<b>Cash flow from Investing Activities</b>		
	Purchase of fixed assets	-4274320	-98843775
	Sales of fixed assets	2623780	94592922
	Purchase of Investments	0	0
	Investment in bank deposits	-256828	05432169
	<b>Other non operating Income - (Interest / Rent / divid )</b>		
	Interest income	2886286	2766979
	Insurance Claim received	0	860722
	Dividend Income	240	1240
	Rent Received	25000	25000
	Other Non operating Income	2057394	21992367
	<b>Net Cash flow from Investing Activities (B)</b>	<b>700150</b>	<b>26827624</b>
<b>C</b>	<b>Cash Flow From Financing Activities</b>		
	Net Increase in Bank / Fin. Inst. - Borrowings	-14869153	-17996597
	Other long-term liabilities	-31086	773310
	<b>Net Cash Flow From Financing Activities ©</b>	<b>-14900239</b>	<b>-17919266</b>
	<b>Increase in Cash and Cash equivalents ( A+B+C )</b>	-391606	97057
	<b>Cash and Cash Equivalents as on 1-4-16</b>	643514	546455
	<b>Cash and Cash Equivalents as on 31-3-17</b>	251908	643514
		<b>0</b>	<b>0</b>
	<b>Components of cash and cash equivalents</b>		
	Bank balance with Bank's	22512	16180
	Cash in hand	229396	627334
	Cheques / Drafts on hand	0	0
	<b>Total cash and cash equivalents</b>	<b>251908</b>	<b>643514</b>

I have audited the above cash flow statement of Katare Spinning Mills Limited from the audited financial statements for the year ended March 31, 2016 and March 31, 2017 and found the same to be drawn in accordance therewith and also with requirements of clause 32 of the listing arrangements with the stock exchange.

For and on behalf of the Board of Directors

K T KATARE (Managing Director)

S T KATARE (Director)

Mrs V K KATARE (Director)

Solapur  
29th May, 2017

( G.M.Pawle )  
Chartered Accountant  
M No 032561

## Katare Spinning Mills Ltd.

Registered Office: "KAMALA" 259, Sakhar Peth, Solapur – 413 005  
Tel- 2623981, 2628581 Email- katarespinningmills@gmail.com  
www.katarespinningmillslimited.com  
CIN: L17119PN1980PLC022962

### 37<sup>TH</sup> ANNUAL GENERAL MEETING – WEDNESDAY, 27<sup>TH</sup> SEPTEMBER, 2017 ATTENDANCE SLIP

<b>Registered Folio No. / DP ID &amp; Client ID</b>	
<b>Name and address of the Member(s)</b>	
<b>Joint Holder 1 Joint Holder 2</b>	
<b>No. of Shares</b>	

I / We record my / our presence at the 'THIRTY-SEVENTH ANNUAL GENERAL MEETING of the Company held on Wednesday, 27<sup>th</sup> September 2017, at 11.00 A.M., at Hotel Tripursundari, 224, Civil lines, Solapur – 413 001.

-----  
Member's / Proxy's name in Block Letters

-----  
Member's / Proxy's Signature

## Katare Spinning Mills Ltd.

Registered Office: "KAMALA" 259, Sakhar Peth, Solapur – 413 005  
Tel- 2623981, 2628581 Email- katarespinningmills@gmail.com  
www.katarespinningmillslimited.com  
CIN: L17119PN1980PLC022962

### 37<sup>TH</sup> ANNUAL GENERAL MEETING – WEDNESDAY, 27<sup>TH</sup> SEPTEMBER, 2017

#### Form No. MGT-11

#### Proxy form

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

CIN: **L17119PN1980PLC022962**

Name of the Company: **KATARE SPINNING MILLS LIMITED**

Registered Office: "KAMALA" 259, Sakhar Peth, Solapur – 413 005

Name of the members (s) :
Registered address :
E-mail ID:
Folio No./ Client ID:
DP ID :

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

- 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_

and whose signatures are appended below as my/our proxy to attend and vote for me/us and on my/our behalf at the Thirty Seventh Annual General Meeting of the Company, to be held on the Wednesday, 27<sup>th</sup> day of September, 2017 at 11.00 am at Hotel Tripursundari, 224, Civil lines, Solapur – 413 001 and at any adjournment thereof in respect of such resolution as are indicated below:

## Katare Spinning Mills Ltd.

Description	For*	Against*
1. To Receive, consider and adopt the Audited Financial Statement together with the Report of the Board of Directors and the Auditors of the Company for the year ended on 31.03.2017		
2. To appoint a Director in place of Mrs. Vidyavati K Katare, who retires by rotation and being eligible, offers herself for re-appointment.		
3. To appoint the Statutory Auditor in terms of Section 139 of the Companies Act, 2013 and fixing their remuneration.		

Affix  
Revenue  
Stamp

Signature of shareholder

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

\_\_\_\_\_

Signature of first Proxy holder

\_\_\_\_\_

Signature of second Proxy holder

\_\_\_\_\_

Signature of third Proxy holder

**Notes:**

- \*1. Please put 'x' in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
2. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

## Katare Spinning Mills Ltd.

Registered Office: "KAMALA" 259, Sakhar Peth, Solapur – 413 005

Tel- 2623981, 2628581 Email- katarespinningmills@gmail.com

www.katarespinningmillslimited.com

CIN: L17119PN1980PLC022962

### 37<sup>TH</sup> ANNUAL GENERAL MEETING – WEDNESDAY, 27<sup>TH</sup> SEPTEMBER, 2017

#### BALLOT FORM

Sr. No.	Particulars	Details
1	Name of the First Named Shareholder (In block letters)	
2	Postal address	
3	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4	No. of shares held	

I/We hereby exercise my/our vote in respect of Ordinary resolution enumerated below by recording my/our assent or dissent to the said resolutions stated in the Notice of 37<sup>th</sup> Annual General Meeting (AGM) by placing the **tick (✓)** mark at the resolution below:

Description	For*	Against*
1. To Receive, consider and adopt the Audited Financial Statement together with the Report of the Board of Directors and the Auditors of the Company for the year ended on 31.03.2017		
2. To appoint a Director in place of Mrs. Vidyavati K Katare, who retires by rotation and being eligible, offers herself for re-appointment.		
3. To appoint the Statutory Auditor in terms of Section 139 of the Companies Act, 2013 and fixing their remuneration.		

Place: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
(Signature of the shareholder)

## Katare Spinning Mills Ltd.

### INSTRUCTIONS:

1. Members may fill up the ballot form printed overleaf and submit the same in a sealed envelope to the scrutinizer, **Mr. G. N. Pawar, Chartered Accountant, Solapur** (appointed **as scrutinizer of the Company** in a fair and transparent manner) at the Mr. G. N. Pawar, Chartered Accountant, office at G-6, Bavi Plaza, 9/3, Murarji Peth, Opp. ST Stand, Solapur- 413 002 or to his Email-Id [gnpawar@gmail.com](mailto:gnpawar@gmail.com)
2. Duly completed and signed Ballot Forms shall reach the Scrutinizer before the AGM date. Alternatively, the Ballot form can also be deposited in the box to be made available at the venue during the AGM. The Ballot Forms received after the AGM date shall be strictly treated as if the reply from the Member has not been received.
3. The Company will not be responsible if the envelope containing the ballot form is lost in transit.
4. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the scrutinizer on the validity of the forms will be final.
5. The right of voting by ballot form shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. Link Intime India Private Limited, Pune branch) Members are requested to keep the same updated.
7. There will be only one ballot form for every Folio/DP ID Client ID irrespective of the number of joint holders.
8. In case of joint holders, the ballot form should be signed by the first named member and in his/her absence by the next named member. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such ballot form from other joint holders.
9. Where the ballot form has been signed by an authorized representative of the body corporate/trust/society, etc. a certified copy of the relevant authorization/board resolution to vote should accompany the ballot form.