

**35th ANNUAL REPORT AND ACCOUNTS
2014 - 2015**

■ **BOARD OF DIRECTORS**

Shri. V. T. Katare	Chairman & Executive Director (Expired on 27.07.2015)
Shri. K. T. Katare	Managing Director
Shri. S. T. Katare	Director
Shri. S. B. Inamdar	Director
Shri. Y. N. Konda	Director
Shri. U. M. Mahindrakar	Director
Mrs. V. K. Katare	Director (From 28.02.2015)

■ **HOTEL TRIPURSUNDARI**

Civil Lines, Solapur - 413 001

■ **SOLAR POWER PROJECT**

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

■ **SPINNING MILL**

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

■ **REGISTERED OFFICE**

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

■ **BANKERS**

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

■ **AUDITOR**

G. M. PAWLE
Chartered Accountant
Ganesh Complex, 276, Sakhar Peth,
Solapur - 413005.

■ **REGISTRAR & TRANSFER AGENTS**

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

NOTICE

Notice is hereby given that 35th Annual General Meeting of the Shareholders of the Company will be held on Wednesday, the 30th September, 2015 at 11.00 a.m. (I.S.T.) at C-2, M.I.D.C., Akkalkot Road, Solapur - 413006 to transact with or without modification as may be permissible, the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors of the Company
2. To appoint a Director in place of Shri. S.T.Katare who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri. Y.N.Konda who retires by rotation and being eligible offers himself for re-appointment.
4. Mrs.V.K.Katare was appointed as a additional director as on 28.02.2015 to comply with SEBI requirement for appointment of a lady member on the Board of Director. The appointment of the Mrs.V.K.Katare to be regularized.
5. To appoint Auditors in terms of section 139(I) of the company Act, 2013 and authorizing to Board of Director to fix their remuneration.

By order of the Board of Directors

Solapur
August 31, 2015

K. T. KATARE
Managing Director
(DIN No.-00645013)

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
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. 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.
5. The Register of Members and the Transfer Books of the Company will be closed from 23rd September 2015 to 30th September 2015 (both days are inclusive)
6. As per the provision of the Companies Act, 1956, facility for making nominations is available for members in respect of shares held by them. Nomination forms can be obtained from the Company's registrar and Transfer Agent.
7. Members are requested to intimate their email ids to the Company and also to the Company's Registrar and Transfer Agents, Link Intime India Pvt. Limited., Akshay Complex, Block No.202, 2nd Floor opp: Dhole Patil Road, Pune - 400 001. email : pune@intimespectrum.com. This is now mandatory.
8. 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, 2nd Floor opp: Dhole Patil Road, Pune - 400 001. email : pune@intimespectrum.com.
9. Members are requested to notify the change 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.
10. 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 the PAN details to their Depository Participant, Whereas Members holding shares in physical form are requested to submit the PAN details to the Companies Registrars and Transfer Agents.
11. 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.
12. Ministry of Company Affairs by vide circular number 17/95/2011 CL-V, has taken a green initiative in the Corporate Governance and clarified that service of document (Notice, Annul Reports etc.) to member through electronic mode is in compliance with the relevant provision of companies act, 1956. The Company is concerned about the environment and utilizes natural resources in a sustainable way. Members are requested to register their email addresses, through written application, with Company's Registrar and Transfer Agents to unable the

Company to send notice, annual reports and other communication via email.

13. The notice of 35th 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 sent by the permitted mode.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 24.09.2015, 09.00 A.M.(IST) and ends on 25.09.2015, 06.00 P.M.(IST) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off 04.09.2015 of, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- vi) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant KATARE SPINNING MILLS LTD. on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) 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.

(xviii) Note for Non - Individual Shareholders and Custodians

- " Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - " A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - " After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - " The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - " A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Solapur
August 31, 2015

By order of the Board of Directors

K .T. KATARE
Managing Director
(DIN No.-00645013)

DIRECTOR'S REPORT

THE MEMBERS OF KATARE SPINNING MILLS LTD.

Your Directors have pleasure in presenting their THIRTY FIFTH Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2015.

1. Financial Highlights:

(₹ in Lacs)

Particulars	2014-2015	2013-2014
Turnover	3661.69	3770.13
Profit Before Interest & Depreciation	71.92	324.41
Less : Interest	168.45	247.16
Profit before depreciation	-96.53	77.25
Less : Depreciation	62.72	79.88
Add : Transfer from Revaluation Reserve	0	20.71
Profit after depreciation & before taxation	-159.24	18.08
Add : Excess provision in the last year	1.34	0.39
Less: Tax expenses relating to previous year	26.50	20.83
Add/Less: Deferred Tax Liability/Assets	202.94	-15.11
Profit / loss for the period	18.53	-17.47
Add : Balance carried from previous year	322.84	321.78
Amount available for appropriation	332.07	304.31
Less : Transitional effect on revision of depreciation on useful life of assets in accordance with schedule II	175.92	0
Profit carried forward	146.92	304.31

2. OPERATIONS

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 involment of power part in the cost of finished goods, the Company has decided to set up 1 MW power project for captive consumption and accordingly pleased to inform you that the Company has successfully commissioned 1 MW solar plant for captive consumption in the month of 22nd April 2015. This is the first net metering installation in the Maharashtra so the Company will save the cost of Rs.8.10 per unit and we expect about 19 lacs units will be generated per annum so that the Company will save electricity bill substantially during the current year.

3. DIVIDEND

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

4. DIRECTORS

- (a) *The Directors express their profound sorrow at the sad demise of Vijay T Katare, who was being an ardent, philanthropist, hardworking and place on record their deep sense of appreciation for the valuable services rendered by him during association as a founder Director and later on a Chairman and Executive Director of the Company prior to his demise.*
- (b) Miss. Vidhyawati K. Katare has been appointed as an Additional Director of the Company w.e.f. 28.02.2015 pursuant to the provisions of Article 110 of the Articles of Association of the Company. Miss. Vidhyawati has been associated for a long period with the industrial family of Katare and already on the Board of other sister companies and trusty of the Charitable institution and thus has vast experience in the industrial and also social field which will be beneficial to the Company. This will also fulfill the requirement of having a woman Director on the Board of Directors under the Companies Act, 2013. She will hold office upto the date of the forthcoming Annual General Meeting and being eligible, offers herself for being appointed as a Director of the Company, liable to retire by rotation.
- (c) Under Article 130 of Articles of Association of the Company, Mr. S.T. Katare and Mr Y N Konda, both Directors of the company retire by rotation and being eligible offers them self for reappointment.

5. RESERVES

No amount out of current year's profit was transferred to the General Reserves.

6. CORPORATE GOVERNANCE

Your Company believes that Corporate Governance is a code of self discipline. In the line with this policy, the Board of Directors strongly believes that it is very important that the Company follows healthy Corporate Governance practices and reports to the shareholders the progress made on the various measures undertaken. The Corporate Governance Certificate from Statutory Auditor regarding compliance of conditions of corporate governance as stipulated in Clause 49 of the Listing agreement is annexed with this report.

7. AUDITORS

G. M. Pawale, chartered accountants, Solapur hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The members are requested to re-appoint them as Auditors of the Company.

8. 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.

9. 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.

10. Secretarial Audit Report:

In terms of Section 204 of the Companies Act, 2013 and Rules made there under, M/s. Upasani and Co., Practicing Company Secretary, Dombivli (E) has been appointed Secretarial Auditor of the Company. The report of the Secretarial Auditor is enclosed herewith. The report is self-explanatory 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 Listing Agreement.

11. 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.

12. 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.

13. 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.

14. LISTING OF SHARES & SECURITIES

The Company's Shares are listed on the BOMBAY STOCK EXCHANGE LIMITED