

Katare Spinning Mills Limited



SOULFUL HOMAGE



Founder Director
Late Subhash Tippanna Katare

KATARE SPINNING MILLS LIMITED

KATARE SPINNING MILLS LIMITED

CIN- L17119PN1980PLC022962

**42ND ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED ON
31ST MARCH, 2022**

CORPORATE INFORMATION

BOARD OF DIRECTORS

<i>Name of Director</i>	<i>Designation</i>
Mr. Kishore T Katare	Managing Director
Mr. Subhash T. Katare	Director (Expired on 28.07.2022)
Mrs. Vidyavati K Katare	Director
Mr. Umakant Mahindrakar	Director
Mr. Prakash Venkappa Joti	Independent Director
Mr. Vilas Ramakant Shendge	Independent Director

CHIEF FINANCIAL OFFICER

Mr. Kamal Kishore Katare

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Manish Prakash Kakrai

REGISTERED OFFICE

14/30 Ground Floor, B Wing, Katare Complex,
Gandhinagar, Bl. No. 10, Akkalkot Road, Solapur MH- 413006

Divisions of the Company-

SPINNING MILL

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

SOLAR POWER PROJECT

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

STATUTORY AUDITORS

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

KATARE SPINNING MILLS LIMITED

SECRETARIAL AUDITORS

M/s. Nikhil Sawant & Co.
Company Secretaries
Office No. 01, Parvati Sadan, opp. Lakaki Lake
Model Colony, Pune- 411 016

BANKERS

Kamala Co-Op. Bank Ltd.
Main Branch, Solapur – 413 006.

REGISTRAR & SHARE 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

DATE, TIME AND VENUE OF AGM

42nd Annual General Meeting

Thursday, 29th September, 2022
11.00 a.m. (I.S.T.)
At: 14/30 Ground Floor, B Wing, Katare Complex,
Gandhinagar, Solapur MH- 413006.

Remote e-voting Period:

From 9.00 a.m. on Monday, 26th September, 2022
Till 5.00 p.m. on Wednesday, 28th September, 2022

Chairman Message

Dear Shareholders,

It gives me immense pleasure to write you to present the Annual Report for FY 2021-22. I hope this letter finds you and your families well and safe.

Recent history has been relentless with the global pandemic, military conflict, growing inequality, supply chain shortages and more. As economies across the world are gradually coming out of the pandemic induced inertia, and gathering momentum, we are taking all relevant initiatives to increase production capacity and efficiency to enhance its market share.

Global Economy and Industry overview

While recovering from the damage caused by the COVID-19 pandemic, the global economy is facing the impact of the Russian invasion of Ukraine. As this could become a protracted period of feeble growth and elevated inflation. This raises the risk of stagflation, with potentially harmful consequences for middle- and low-income economies alike.

Your Company is engaged in Two major sectors i.e. Cotton Yarn Industry (Spinning Mills) and Solar Energy.

Cotton Yarn Industry:

For the year 2020, Worldwide Cotton Market was US\$ 38.54 Billion. Global Cotton Market is expected to reach US\$ 46.56 Billion by 2027, with a CAGR of 2.74% from 2020 to 2027. The cotton market is projected to register a CAGR of 4.1% during the forecast period (2022-2027).

Due to COVID-19, the demand for cotton is decreased to 11.0%. The imposed global restrictions have resulted in the shutting down of ginning mills due to the cancellation and suspension of orders by many western clothing brands. This has also affected the cotton plantations and textile plantations in Bangladesh and India.

China, India, Pakistan, and Bangladesh are the largest cotton consumers worldwide, accounting for one of the highest global consumption. In India, the supremacy of the textile sector exists, as it consumes most of the country's cotton. Demand for cotton is expected to remain steady, despite stiff competition from synthetic fibres, though the effects of the current crisis due to COVID-19 might affect demand in the short to medium term.

Cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers. India's textile and apparel exports (including handicrafts) stood at US\$ 44.4 billion in FY22, a 41% increase YoY. Exports of readymade garments including cotton accessories stood at US\$ 6.19 billion in FY22.

India enjoys a comparative advantage in terms of skilled manpower and in cost of production, relative to major textile producers. In March 2021, Minister of Textiles, Ms. Smriti Irani announced that India will be fully self-reliant in silk production in the next two years.

Huge funds in schemes such as Integrated Textile Parks (SITP) (US\$ 184.98 million) and Technology Upgradation Fund Scheme (US\$ 961.11 million) released by the Government during 2015-16 to 2019-20 to encourage more private equity and provide employment.

Solar Energy Industry:

The global solar energy market was valued at \$52.5 billion in 2018 and is projected to reach \$223.3 billion by 2026, growing at a CAGR of 20.5% from 2019 to 2026.

Solar energy is the radiant energy emitted from the sun, which is harnessed by using various technologies such as solar heating, photovoltaic cells, and others. It is an efficient form of unconventional energy and a convenient renewable solution toward growing greenhouse emissions and global warming. The growth of the solar energy market is driven by increase in environmental pollution and provision of government incentives & tax rebates to install solar panels. In addition, decrease in water footprint associated with solar energy systems has fuelled their demand in power generation sectors.

Emerging economies such as China and Japan have significantly increased the production of solar technologies owing to governmental tariffs and merger & acquisition of local manufacturers.

In June 2021, Prime Minister Mr. Narendra Modi stated that renewable energy capacity in India increased by 250% between 2014 and 2021. The Central Electricity Authority estimates India's power requirement to grow to reach 817 GW by 2030. Most of the demand will come from real estate and transport sectors.

In the Union Budget 2022-23, the government allocated Rs. 19,500 crore (US\$ 2.57 billion) for a PLI scheme to boost manufacturing of high-efficiency solar modules.

India launched the Mission Innovation Clean Tech Exchange, a global initiative that will help accelerate clean energy innovation. Globally, India ranks fourth in renewable energy capacity and wind power and fifth in solar power capacity. In October 2021, India retained its third rank on the EY Renewable Energy Country Attractive Index 2021.

Revenue from operations was Rs. 27.95 Crores in FY 2021-22 against revenue from operations in FY 2020-21 which was Rs.10.57 Crores. Further the Company has managed to earn a profit of Rs.7.92 Crores for FY 2021-22 as against loss of Rs.1.73 Crores in FY 2020-21. Now company has accommodated with changes and has a vision of growing manifold in upcoming financial year.

I would like to take this opportunity to thank all our employees for their immense contributions in these trying times. I would also like to thank you shareholders for your continued trust and support.

Best Regards,

KATARE SPINNING MILLS LIMITED

SD/-

KISHORE KATARE

MANAGING DIRECTOR

(DIN- 00645013)

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NOTICE OF 42ND ANNUAL GENERAL MEETING

Notice is hereby given that 42nd Annual General Meeting of the Members of the Company will be held on Thursday, 29th September, 2022 at 11.00 a.m. (I.S.T.) at 14/30 Ground Floor, B Wing, Katare Complex, Gandhinagar, Bl. No. 10, Solapur MH- 413006 to transact, the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2022 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 Mr. Umakant Mahindrakar (DIN: 01233305), who retires by rotation and being eligible, seeks re-appointment.

“RESOLVED THAT, pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Umakant Mahindrakar (DIN: 01233305), who retires by rotation at this meeting and being eligible offered himself 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 passing 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, Mr. G. M. Pawale, Chartered Accountants (Membership Number 032561), be and is hereby appointed as the Statutory Auditors of the Company for a term of 5 years in place of retiring auditor M/s N. R. Waghchaure & Associates, Chartered Accountants, (Firm Registration Number 114999W), to hold office from the conclusion of this 42nd Annual General Meeting until the conclusion of the 47th Annual General Meeting to be held in year 2027, 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.”

SPECIAL BUSINESS:

4. Additions in Main Objects of Memorandum of Association of the Company.

To consider and if thought fit to pass the following resolution as special resolution:

“RESOLVED THAT pursuant to provisions of Section 13 of the Companies Act, 2013 (the Act) and other applicable provisions of the Act, the main object clause of the Memorandum of Association of the Company shall be altered and amended as required for the purpose of carrying on the business of the Company.”

“RESOLVED FURTHER THAT following clause shall be added after Clause 2 of existing Main Object clause:

3. To generate, develop, accumulate, produce, manufacture, purchase, process, transform, distribute, transmit, sale, supply, sub-contract and/or otherwise import, export, deal in any kind of power or electrical energy using coal, lignite, petroleum products or any other substances, wind energy, solar energy, renewable energy, wave energy, tidal energy, hydro energy, thermal energy to deal into earnings from carbon credit & to trade in carbon credit or any other form of energy and any products or by-products derived from any such business of energy and to set up power plants, wind turbines, power stations, hydel power station, solar energy systems, renewable energy systems or any other facility to generate power and to produce, manufacture, buy, import, sale, treat, exchange, renovate, alter, modernize, install or otherwise deal in any type of machinery, equipment, implement, material, article and stores for generating, distributing, transmitting energy, including electricity and to deal with all persons including Companies, government and semi-government bodies for these purposes and to do all such acts, deeds and things including construction, laying down, establishing, fixing and to carry out all necessary activities for the aforesaid purpose.

“RESOLVED FURTHER THAT, any Director or Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as may be necessary to give effect to the resolution.”

By Order of the Board of Directors
KATARE SPINNING MILLS LIMITED

SD/-
KISHORE KATARE
MANAGING DIRECTOR
(DIN- 00645013)
Place: Solapur
Date: 12th August, 2022