



Katare Spinning Mills Limited

43rd
Annual Report
2022-2023

KATARE SPINNING MILLS LIMITED

KATARE SPINNING MILLS LIMITED

CIN- L17119PN1980PLC022962

43RD ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2023

CORPORATE INFORMATION

BOARD OF DIRECTORS

<i>Name of Director</i>	<i>Designation</i>
Mr. Kishore T Katare	Managing Director
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

Mrs. Bhagyashree Rawani

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

Mr. Ganesh M. Pawle

Chartered Accountants

Ganesh Complex, Ground Floor, 276, Sakhar Peth, Near Laxmi Co-op Bank,
Solapur- 413005

KATARE SPINNING MILLS LIMITED

SECRETARIAL AUDITORS

M/s. Nikhil Sawant & Co.
Company Secretaries
B/37, 03rd Floor, Aamod Apts.
Model Colony, Pune, Maharashtra - 411016

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

43rd Annual General Meeting

Friday, 29th September, 2023
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 Tuesday, 26th September, 2023
Till 5.00 p.m. on Thursday, 28th September, 2023

Chairman Message

Dear Shareholders,

It gives me immense pleasure to write you to present the Annual Report for FY 2022-23.

It was a challenging year for the global economy, with rising inflation, supply chain disruptions, and geopolitical instability. However, our company was able to weather these challenges and tried to deliver performance. I am confident that our company is well-positioned for continued growth in the years to come.

Global Economy and Industry overview

The global economy performed below expectations in FY 2022-23, with growth slowing to 3.2% from 6.0% in 2021. This slowdown was driven by a number of factors, including:

- The ongoing COVID-19 pandemic, which continued to disrupt economic activity in many parts of the world.
- The war in Ukraine, which caused energy prices to surge and led to uncertainty about the global economic outlook.
- Rising inflation, which put a strain on household budgets and businesses.
- Supply chain disruptions, which made it more difficult and expensive to get goods and services to market.

Despite these challenges, there were some bright spots in the global economy in FY 2022-23. The United States economy grew by 3.5%, the strongest pace since 2021. China's economy also grew by 4.8%, albeit at a slower pace than in recent years. And India's economy grew by 8.7%, the fastest pace in Asia.

Looking ahead to FY 2023-24, the global economy is expected to grow by 2.7%. This growth will be supported by continued recovery from the COVID-19 pandemic, but it will be tempered by the ongoing war in Ukraine and rising inflation.

The following are some of the key risks to the global economy in FY 2023-24:

- The war in Ukraine could escalate, leading to further disruptions to energy markets and global trade.
- Inflation could remain elevated, putting a strain on household budgets and businesses.
- Supply chain disruptions could continue, making it more difficult and expensive to get goods and services to market.
- A recession in the United States could have a negative impact on the global economy.

Overall, the global economy is expected to perform below expectations in FY 2023-24. However, there are some bright spots, such as the continued recovery from the COVID-19 pandemic and strong growth in some emerging markets.

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

Cotton Yarn Industry:

The global cotton yarn market is expected to grow at a CAGR of 5.2% from 2022 to 2028, reaching a value of \$124.8 billion by 2028. The growth of the market is being driven by the increasing demand for cotton yarn from the apparel and home textile industries.

The apparel industry is the largest consumer of cotton yarn, accounting for about 60% of the total demand. The home textile industry is the second largest consumer of cotton yarn, accounting for about 30% of the total demand.

The growth of the cotton yarn market is being constrained by the rising prices of cotton, which have increased by more than 50% in the past year.

The high prices of cotton have made it difficult for spinners to maintain profitability. In addition, the COVID-19 pandemic has disrupted the supply chain of cotton yarn, leading to shortages and higher prices.

The performance of the cotton yarn industry in India has been particularly challenging in the current financial year. The prices of cotton in India have reached record highs, making it difficult for spinners to compete in the international market. In addition, the demand for cotton yarn has slowed down

due to the recessionary concerns in developed countries. As a result, the performance of the Indian cotton yarn industry is expected to be muted in the current financial year.

Overall, the performance of the cotton yarn industry is expected to be mixed in the current financial year. The growth of the market will be driven by the increasing demand from the apparel and home textile industries. However, the rising prices of cotton and the disruption of the supply chain due to the COVID-19 pandemic will pose challenges to the industry.

Solar Energy Industry:

The global solar energy market is expected to grow at a CAGR of 18% from 2022 to 2028, reaching a value of \$286.3 billion by 2028. The growth of the market is being driven by the increasing demand for solar energy from governments, businesses, and individuals. Governments around the world are setting ambitious targets for renewable energy, and solar energy is a key component of these targets.

Businesses are also increasingly adopting solar energy as a way to reduce their energy costs and improve their environmental credentials. Individuals are also becoming more aware of the benefits of solar energy, and are installing solar panels on their homes and businesses.

The Indian solar energy market is expected to grow at a CAGR of 22% from 2022 to 2028, reaching a value of \$100 billion by 2028. The growth of the market is being driven by the government's ambitious target of installing 100 GW of solar energy capacity by 2022. The government has also introduced a number of policies and incentives to promote solar energy, such as the National Solar Mission and the Production-Linked Incentive (PLI) scheme. In addition, the falling prices of solar modules and the increasing efficiency of solar panels are making solar energy more affordable and attractive.

As a result of the strong growth in the global and Indian solar energy markets, the performance of the solar energy industry has been very positive in the financial year 2022-2023. The industry has seen record levels of investment, and new solar projects have been commissioned at a rapid pace. The industry is also expected to continue to grow strongly in the coming years, driven by the increasing demand for solar energy and the supportive policies of governments around the world.

KATARE SPINNING MILLS LIMITED

Here are some specific highlights of the performance of the solar energy industry in India in the financial year 2022-2023:

- India added 14.2 GW of solar energy capacity in the financial year 2022-2023, the highest ever annual addition.
- This took the country's total solar energy capacity to 67.07 GW, making it the fourth largest solar market in the world.
- The government's ambitious target of installing 100 GW of solar energy capacity by 2022 is now within reach.
- The solar energy industry is expected to create over 1 million jobs in India by 2022.

The strong performance of the solar energy industry is a positive development for India, as it will help to reduce the country's dependence on fossil fuels and improve its energy security. The industry is also expected to create jobs and boost economic growth.

Revenue from operations was stood at Rs. 8.33 Crores in FY 2022-23 against revenue from operations in FY 2021-22 which was Rs. 27.95 Crores. During the reporting period under review, the Company has incurred a loss of Rs.1.51 Crores as against profit of Rs.7.92 Crores in FY 2021-22. 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)

<i>SR. NO.</i>	<i>CONTENTS</i>	<i>PAGE NO.</i>
1	Notice of AGM	08
2	Director's Report	28
3	Management's Discussion and Analysis Report	46
4	Corporate Governance Report	54
5	Financial Statements	91

KATARE SPINNING MILLS LIMITED

NOTICE OF 43RD ANNUAL GENERAL MEETING

Notice is hereby given that 43rd Annual General Meeting of the Members of the Company will be held on Friday, 29th September, 2023 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, 2023 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.”

SPECIAL BUSINESS:

3. To approve the re-appointment of Mr. Kishore T. Katare (DIN 00645013), without remuneration as a Chairman and Managing Director of the Company w.e.f 01st July, 2023 for a period of Five (5) years.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT, pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, the Consent of the shareholders be and is hereby accorded for re-appointment of Mr. Kishore T. Katare (DIN 00645013) as a Chairman and Managing Director of the Company for the period of 5 years starting from 01st July, 2023 to 30th June, 2028 without remuneration.

KATARE SPINNING MILLS LIMITED

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

By Order of the Board of Directors

KATARE SPINNING MILLS LIMITED

SD/-

KISHORE KATARE
MANAGING DIRECTOR
(DIN- 00645013)

Place: Solapur

Date: 14th August, 2023

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. Members / proxies are requested to bring their attendance slip duly filled in and also, bring their copy of the Annual report for the meeting. The proxy shall not have the right to speak at such meeting and shall not be entitled to vote except on a poll.
5. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business under Item No. 3 of the Notice, is annexed hereto. The profile of the Director seeking re-appointment, as required in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed.
6. 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.