



KATARE SPINNING MILLS LIMITED

"KATARE COMPLEX" , 14/30, RAVIWAR PETH,
2nd WING, GROUND FLOOR, GANDHI NAGAR,
AKKALKOT ROAD, SOLAPUR- 413 005
MILL - "KAMALA NAGAR", TAMALWADI. Tal. TULJAPUR.
OFFICE : 0217-2376555
Email : katarespinningmills@gmail.com
CIN : L17119PN1980PLC022962

Ref/KSM/27/2025-26

01st September, 2025

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 45th Annual Report for the year ended 2024-25 under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Madam/Sir,

The 45th Annual General Meeting of the Company will be held on 29th September, 2025 and in respect to that, we are enclosing herewith the following documents as per above mentioned subject for your information;

Annual Report for the year ended 2024-25 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)

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

Katare Spinning Mills Limited



KATARE SPINNING MILLS LIMITED

CIN- L17119PN1980PLC022962

**45TH ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED ON
31ST MARCH, 2025**

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. Yadgiri Narayan Konda | 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

G M Pawle and Associates

Ganesh Pawle

Chartered Accountants

Ganesh Complex, Ground Floor, 276, Sakhar Peth,

Near Laxmi Co-op Bank, Solapur- 413005

SECRETARIAL AUDITORS

M/s. Nikhil Sawant & Co.

Company Secretaries

B/37, Aamod Apts. Model Colony,

Pune, Maharashtra - 411016

BANKERS

Kamala Co-Op. Bank Ltd.

Main Branch, Solapur – 413 006.

REGISTRAR & SHARE TRANSFER AGENTS

MUFG Intime India Pvt. Ltd.

(Formerly known as Link Intime India Private Limited),

Akshay Complex, Block No. 202, 2nd Floor,

Opp. Dhole Patil Road,

Pune – 411 001

E-mail: rnt.helpdesk@in.mpms.mufg.com

DATE, TIME AND VENUE OF AGM

45th Annual General Meeting

Monday, 29th September, 2025

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 Friday, 26th September, 2025

Till 5.00 p.m. on Sunday, 28th September, 2025

Chairman Message

Dear Shareholders,

It gives me immense pleasure to write you to present the Annual Report for FY 2024-25.

Global Economic Overview

The global economy in 2024-25 has navigated through a landscape of both opportunities and challenges. We have seen a steady recovery from the pandemic-induced slowdown, with advanced economies exhibiting moderate growth. However, emerging markets have faced headwinds, including inflationary pressures and supply chain disruptions. Geopolitical tensions in various regions have added to the economic uncertainties, impacting global trade and investment flows. Despite these challenges, the global economic environment has provided avenues for growth, particularly in sectors driven by technological advancements and sustainability initiatives.

Indian Economic Landscape

India's economy has been a beacon of resilience and growth amidst global uncertainties. The projected GDP growth rate of around 6.5% for the fiscal year stands as a testament to the robustness of the Indian economy. The government's focus on infrastructure development, digital transformation, and structural reforms has laid a strong foundation for sustainable growth. The agricultural sector has shown remarkable resilience, while the manufacturing sector, bolstered by the 'Make in India' initiative, has witnessed significant progress. The renewable energy sector has emerged as a key growth driver, with substantial investments and policy support propelling its expansion.

Cotton Yarn Industry

The cotton yarn industry is a vital component of the global textile sector, supplying raw materials for fabric production across a wide range of applications. The global cotton yarn market has demonstrated resilience,

with steady demand from major textile manufacturing hubs in Asia, Europe, and North America. Despite challenges such as fluctuating cotton prices and trade uncertainties, the industry has maintained a positive growth trajectory. Technological advancements in spinning and weaving processes have enhanced production efficiency and product quality, catering to the evolving demands of the fashion and apparel industries.

In India, the cotton yarn industry is a cornerstone of the textile sector, contributing significantly to the country's exports and employment. India is one of the largest producers and exporters of cotton yarn, with a well-established supply chain that spans from cotton cultivation to yarn production. The Indian cotton yarn industry has benefited from government initiatives aimed at boosting the textile sector, such as the Technology Upgradation Fund Scheme (TUFS) and the Production Linked Incentive (PLI) scheme. These initiatives have encouraged investments in modernizing facilities and adopting sustainable practices.

Solar Energy Industry

The global solar energy industry has experienced unprecedented growth, driven by the urgent need to transition to renewable energy sources to combat climate change. Solar energy has become one of the most viable and cost-effective alternatives to traditional fossil fuels, with technological advancements reducing the cost of solar panels and increasing their efficiency. The global solar market has seen substantial investments, supported by favorable government policies, incentives, and a growing awareness of the environmental benefits of solar energy.

In India, the solar energy sector has emerged as a critical component of the country's renewable energy strategy. India has set ambitious targets for solar capacity, aiming to achieve 280 GW of installed solar energy by 2030. The government's initiatives, such as the National Solar Mission and various state-level policies, have created a conducive environment for the growth of the solar industry. India's vast geographical diversity and high solar insolation levels provide an ideal setting for solar power generation, making it a key player in the global solar market.

At Katare Spinning Mills Limited, our solar energy division has been a cornerstone of our growth strategy. We have made significant strides in expanding our solar energy portfolio, focusing on both large-scale solar farms

and innovative solar solutions for residential and commercial use. Our solar projects have not only contributed to reducing carbon emissions but also promoted sustainable energy usage. The supportive government policies and incentives have facilitated our expansion plans, and our investment in research and development has positioned us at the forefront of technological advancements in the solar industry.

Future Outlook

As we look ahead, we remain cautiously optimistic about the future. The cotton yarn market is expected to grow steadily, driven by increasing demand from the textile industry. We will continue to invest in state-of-the-art technology and sustainable practices to maintain our competitive edge. In the solar energy sector, we anticipate exponential growth as global and domestic demand for clean energy rises. We are committed to expanding our solar footprint and exploring new business opportunities in the renewable energy space.

Revenue from operations was stood at Rs. 51,197.57 (in thousand) as compared to last year's income of Rs. 40,047.01 (in thousand). During the reporting period under review, the Company has incurred a net Loss of Rs. 17,304.11 (in thousand) as compared to last year's net loss of Rs. 18,730.14 (in thousand). Now Company has accommodated with changes and has a vision of growing manifold in upcoming financial year.

In conclusion, I extend my deepest gratitude to our shareholders, customers, employees and partners for their unwavering support and trust.

Thank you for your continued support and I look forward to another year of growth and success for Katare Spinning Mills Limited.

Best Regards,

KATARE SPINNING MILLS LIMITED

SD/-

KISHORE KATARE

MANAGING DIRECTOR

(DIN- 00645013)

Add: 14/30 Ground Floor, B Wing, Katare complex,
Gandhinagar, Bl. No. 10 Solapur 413006

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NOTICE OF 45TH ANNUAL GENERAL MEETING

Notice is hereby given that 45th Annual General Meeting of the Members of the Company will be held on Monday, 29th September, 2025 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, 2025 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 appoint of Mr. Chetan Kumbhojkar, Secretarial Auditors of the Company and in this regard, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT, pursuant to provisions of Sections 204 and 179(3) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed thereunder, and other applicable provisions if, any of the Companies Act 2013, (including any statutory modification(s), re-enactment thereof for time being in force) and circulars issued thereunder from time to time, and based on the recommendation of the Audit Committee and approved by the Board of Directors, M/s. Chetan Kumbhojkar, Practicing Company Secretaries (COP: 23821, PR No. 5834/2024, be and is hereby appointed as the Secretarial Auditors for the Company, to hold office for a term of five consecutive years i.e. from financial year 2025-26 to financial year 2029-30, on such

remuneration as may be mutually agreed between the Board of Directors and the Secretarial Auditors.

“RESOLVED FURTHER THAT, Board of Directors of the Company be and is hereby authorized to file necessary forms with Registrar of Companies, Pune and to do all such act, deeds and things as may be considered necessary to give effect to the above said resolution”

By Order of the Board of Directors
KATARE SPINNING MILLS LIMITED

SD/-
kishore katare
MANAGING DIRECTOR
(DIN- 00645013)
Add: 14/30 Ground Floor, B Wing, Katare Complex,
Gandhinagar, Bl. No. 10 Solapur 413006

Place: Solapur
Date: 11th August, 2025

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. 2 and 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.
7. The Register of Members and the Transfer Books of the Company will be closed from 21st September, 2025 to 29th September, 2025 (both days are inclusive).
8. Members are requested to notify the changes in their Address, Bank Details, e-mail etc. if any, to the Company, 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.
9. 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 Company, Registrars and Transfer Agents and also requested to convert the same shares in Demat as the physical shares will not be transfer or sell after 31st March, 2019 as per SEBI's deadline.

10. 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.
11. 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.
12. 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.
13. 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.
14. Members, who hold shares in electronic form, are requested to bring their Client Id and DP Id for easy Identification.
15. The Notice of the AGM along with the Annual Report of FY 2024-25 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. 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.
16. 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.

17. 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.
18. **Members having multiple folios are requested to intimate to the Company such folios to enable the Company to consolidate all shareholdings into one folio.**
19. 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 MUFG Intime India Pvt. Ltd., on all the resolutions set forth in this Notice.
20. Members will not be distributed any kind of Gift, Complement or any kinds of such nature at the Annual General Meeting.
21. Route Map showing directions to reach to the venue of the 45th AGM is given at the end of this Notice as per the requirement of the Secretarial Standards-2 on “General Meeting.”
22. The Register of Directors and Key Managerial Personnel and their shareholding under Section 170 and 171 and Register of Contracts or arrangements maintained under Section 189 of the Companies Act, 2013 and all documents as mentioned in the resolutions and/or explanatory statements will be available for inspection by the members at the registered office of the Company.
23. **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. MUFG Intime India Pvt. Ltd. (Formerly known as Link Intime India Private Limited), as the case may be, for service of documents.

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

- a. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- b. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.Katarespinningmills.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
- c. The facility for voting through ballot paper shall also 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.
- d. 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, so as to reach by 5.00 P.M. on 28th September, 2025.
- e. The detailed instructions for voting through Ballot paper is annexed herewith separately.

- f. 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.
- g. The remote e-voting period commences on 26th September, 2025 (9.00 am) and ends on 28th September, 2025 (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 20th September, 2025 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 28th September, 2025. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- h. The notice of 45th 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.
- i. Members may please note the contact details of the Company's Registrar and Transfer Agents, MUFG Intime India Pvt. Ltd. (Formerly known as Link Intime India Private Limited), Akshay Complex, Block No. 202, 2nd Floor Opp. Dhole Patil Road, Pune – 400 001. Email-id: rnt.helpdesk@in.mpms.mufig.com.

The instructions for shareholders voting electronically are as under:

- 1. The voting period begins on 26th September, 2025 (9.00 am) and ends on 28th September, 2024 (5.00 pm) 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 20th September, 2025, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- 2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- 3. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange

Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

4. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (i) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

| Type of shareholders | Login Method |
|-------------------------|---|
| Individual Shareholders | 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further |

| | |
|---|---|
| <p>holding securities in Demat mode with CDSL Depository</p> | <p>authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit: www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p> |
| <p>Individual Shareholders holding securities in demat mode with NSDL Depository</p> | <p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-</p> |

| | |
|--|---|
| | <p>directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP) | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type | Helpdesk details |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911 |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000 |

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

Login method for e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.

1. The shareholders should log on to the e-voting website www.evotingindia.com.
2. Click on “Shareholders” module.
3. 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.

5. 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.

6. If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|---|---|
| PAN | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA |
| Dividend Bank Details OR Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field. |

7. After entering these details appropriately, click on “SUBMIT” tab.

8. (vii) Shareholders 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.

9. For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

10. Click on the EVSN for the relevant KATARE SPINNING MILLS LTD on which you choose to vote.

11. 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.
12. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
13. 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.
14. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take print out of the voting done by you by clicking on “Click here to print” option on the Voting page.
16. 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.
17. If a demat account holder has forgotten the login 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. Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.

- 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.
- It is Mandatory that, 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.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; katarespinningmills@gmail.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting 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, under help section or write an Email to helpdesk.evoting@cdslindia.com

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

- a. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
- b. For Demat shareholders -, please update your email id & mobile no. with your respective **Depository Participant (DP)**

- c. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

By Order of the Board of Directors
KATARE SPINNING MILLS LIMITED

SD/-

KISHORE KATARE
MANAGING DIRECTOR
(DIN- 00645013)

Add: 14/30 Ground Floor, B Wing, Katare complex,
Gandhinagar, Bl. No. 10 Solapur 413006

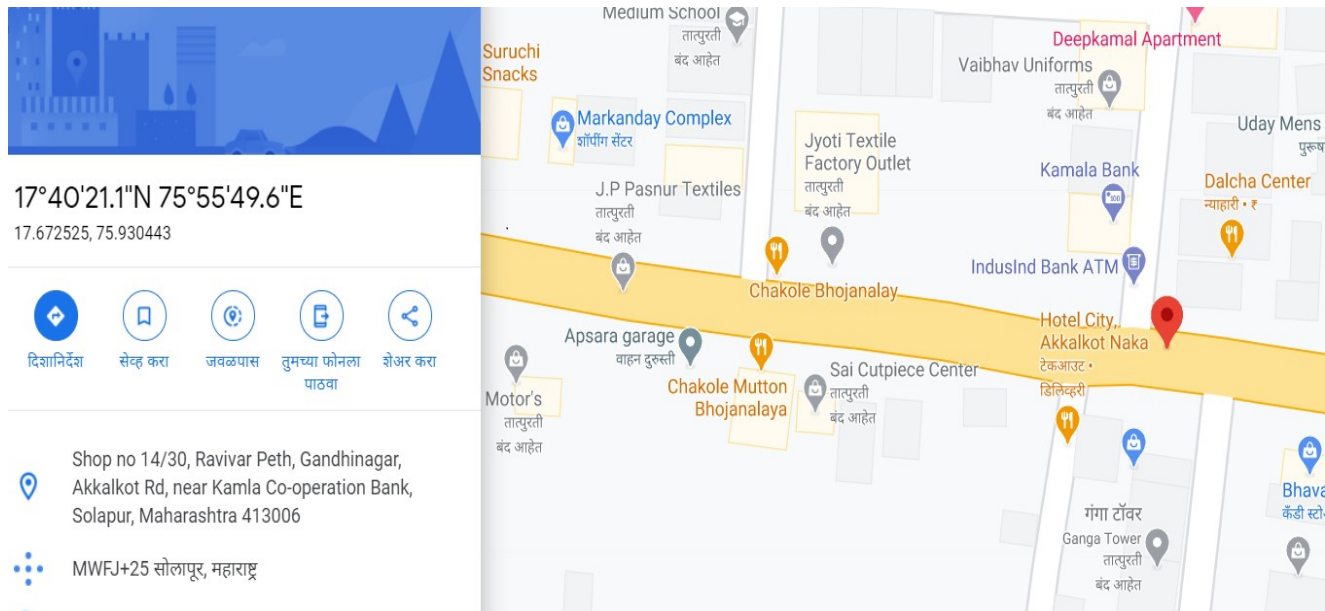
Place: Solapur

Date: 11th August, 2025

ROUTE MAP OF 45th ANNUAL GENERAL MEETING OF THE COMPANY

Venue of the AGM:

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



EXPLANATORY STATEMENT
(Pursuant to Section 102 of the Companies Act, 2013)

As required under provisions of Section 102 of the Companies Act, 2013 the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 2 and Item No. 3 of the accompanying Notice:

ITEM NO. 2:

Mrs. Vidyavati K Katare (DIN: 01443784) holds a qualification in Bachelor of Commerce. She is appointed as a Non-Executive Women Director in the Company and primarily responsible for the Management functions and other activities in the Company. She has been associated with the Company for over 10 years and she is the Non-Executive Director of the Company from the date of appointment in the Company and liable to retire by rotation.

ITEM NO. 3: Appointment of M/s. Chetan Kumbhojkar, Practising Company Secretaries as Secretarial Auditors and fix their remuneration;

In terms of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is obligated to appoint a Secretarial Auditor to conduct a Secretarial audit and annex the report in Form MR-3 with its Board's Report. While the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended effective from 01st April, 2025) under Regulation 24A mandate such appointment only for listed entities exceeding Specified thresholds, these thresholds are not met by the Company as an SME-listed entity and therefore Regulation 24A does not apply to us.

Accordingly, in terms of provisions of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board at its meeting held on 30th May, 2025, based on recommendation of the Audit Committee, after evaluating and considering various factors such as experience, efficiency in conduct of audit, independence, etc., has approved the appointment of M/s. Chetan Kumbhojkar, Practising Company Secretaries, a peer reviewed firm as Secretarial Auditor of the Company for a term of five consecutive years commencing from Financial Year 2025-26 till Financial Year 2029-30, The proposed remuneration to be paid to M/s. Chetan Kumbhojkar for secretarial

audit services for the financial year ending 31st March, 2026, is Rs. 50,000/- (Rupees Fifty Thousand only) plus applicable taxes and out-of-pocket expenses. Further, the Board of Directors on the recommendation of Audit Committee with the consultation of secretarial auditor shall approve revisions to the remuneration of the Secretarial Auditors, for balance of the tenure.

M/s. Chetan Kumbhojkar is a firm of Practising Company Secretaries based in Pune having 10 years of experience and exposure of compliances and other related laws applicable to the companies. The firm has been Peer Reviewed by the Institute of Company Secretaries of India (ICSI) (PR No. 5834/2024), ensuring the highest standards in professional practices.

M/s. Chetan Kumbhojkar had consented to his appointment as the Secretarial Auditors of the Company and have confirmed that they fulfil the criteria as specified in Clause (a) of regulation 24A (1A) of the SEBI Listing Regulations and have not incurred any of disqualifications as specified by the Securities and Exchange Board of India.

M/s. Chetan Kumbhojkar has confirmed that the firm is not disqualified and is eligible to be appointed as Secretarial Auditors in terms of Regulation 24A of the SEBI Listing Regulations.

The Board recommends the Ordinary Resolution as set out in Item No. 3 of this Notice for approval of the Members.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested financially or otherwise, in the Resolution set out in Item No. 3 of this Notice.

By Order of the Board of Director

KATARE SPINNING MILLS LIMITED

SD/-

KISHORE KATARE

MANAGING DIRECTOR

(DIN- 00645013)

Add: 14/30 Ground Floor, B Wing, Katare complex,
Gandhinagar, Bl. No. 10 Solapur 413006

Place: Solapur

Date: 11th August, 2025

ANNEXURE TO THE NOTICE

Profile of director and additional information as required under Regulation 36 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015; Clause 1.2.5 of Secretarial Standards-2 on General Meetings.

| | |
|---|--|
| Name of the Director | MRS. VIDYAVATI KISHORE KATARE |
| DIN | 01443784 |
| Date of birth and Age | 12/06/1963/ 62 Age |
| Date of first Appointment on the Board | 28 th February, 2015 |
| Qualifications | Bachelor of Commerce (B.Com) |
| Experience | + 10 Years |
| Expertise | Management functions and other activities in the Company |
| Number of Meetings of the Board attended during the Year | 5 out of 5 |
| Shareholding in Company | 10,400 (Shares) |
| Relationship with other Directors, Manager and other Key Managerial Personnel of the Company | Mr. Kishore Katare (MD)- Husband Mr. Kamal Katare- Son |
| Terms and conditions of appointment along with details of remuneration sought to be paid/last drawn | Appointment due to retire by rotation. No remuneration drawn In previous year. |
| List of Directorship/ Membership/ Chairmanship of Committees of other Board: | |
| Public/Listed Companies Directorship | 1 Public Company |
| Private Companies Directorship | 1 Private Company |
| Membership/ Chairmanship of Committees | NIL |

DIRECTOR'S REPORT

To the Members,

KATARE SPINNING MILLS LIMITED

The Board of Directors are pleased to present the Forty Fifth (45th) Annual Report of the Company along with the financial statements for the Financial Year ended 31st March 2025.

1. FINANCIAL HIGHLIGHTS:

Certain key aspects of your Company's performance during the Financial Year ended 31st March 2025 as compared to the previous Financial Year are summarized below:

(Rs. In Thousand)

| Particulars | 2024-25 | 2023-24 |
|--|-----------------|-----------------|
| Turnover | 53,642 | 43,549 |
| Profit Before Interest & Depreciation | (3,710) | (4,531) |
| Less : Interest | (3,353) | (3,069) |
| Profit before depreciation | (7,063) | (7,600) |
| Less : Depreciation | (13,092) | (13,005) |
| Loss after depreciation & before taxation | (20,155) | (20,605) |
| Add : Excess provision in the last year | 0.00 | 0.00 |
| Less: Tax expenses relating to previous year | 0.00 | 0.00 |
| Add/Less: Deferred Tax Liability/Assets | (2,851) | (1,875) |
| Profit / loss for the period | (17,304) | (18,730) |
| Profit/ Loss for the period | | |
| Add : Balance carried from previous | 0.00 | 0.00 |
| Profit/Loss carried forward | (17,304) | (18,730) |

2. OVERVIEW OF OPERATIONS:

During the year under review, your Company recorded a total income of Rs. 53,642 (in thousand) as compared to last year's income of Rs. 43,549

(in thousand) and net Loss of Rs. 17,304 (in thousand) as compared to last year's net loss of Rs. 18,730 (in thousand). For further information, kindly refer to Management Discussion and Analysis Report, forming a part of this Annual Report.

The Board of Directors have taken measures to adopt new technologies and industry standards to cope up with competition in the industry and advance towards achieving its goal.

3. DIVIDEND AND RESERVE:

Your directors do not recommend any dividend for the year under review. The details of reserves and surplus are provided in Note No. 15 of the notes to the standalone financial statement.

4. STATE OF AFFAIRS OF THE COMPANY/BUSINESS OVERVIEW:

SPINNING MILL INDUSTRY:

The performance of the spinning industry in India during the financial year 2024-25 was mixed. The Indian spinning industry showed signs of recovery and a positive outlook for the financial year 2024-25 (FY25) after a challenging FY24, driven by improved demand, stabilized exports, and slightly increasing yarn prices. Analysts predicted a 6-8% growth in FY25, following two years of decline, with operating margins expected to improve to 10.5-11% and financial metrics like debt coverage ratios also expected to strengthen

The Company has generated a revenue of Rs. 53,642 (in thousand) during the reporting year from spinning segment as compared to Rs. 43,549 (in thousand) for the previous financial year. The reason for increase in revenue is the average cotton price in India during the 2024-25 season was around INR 54,000 per candy (356 kg), which was significantly lower than the previous season. This led to an increase in cotton yarn production and consumption in the domestic market.

SOLAR POWER PROJECT:

Considering the involvement of power part in the cost of finished goods, The Company had installed 1MW solar plant for captive consumption under net metering system. The generation of energy is consuming for day to day working and exports to grid. On modernization of the plant, Company will get good returns on consumption of self-power consumption. This is the first net metering installation in the Maharashtra. During the financial year total 11,25,441 electricity units have been generated and it helps the Company to reduce the cost of productions and move ahead towards goal of sustainable growth. The performance of captive solar projects in Maharashtra during 2024-25 faced challenges due to the Maharashtra Electricity Regulatory Commission (MERC)'s revised energy banking rules, which restricted flexibility and reduced economic returns by requiring generation and consumption to align within the same time slot

5. ANNUAL RETURN:

Pursuant to Section 92(3) read with Section 134(3) (a) of the Companies Act, 2013, the Annual Return as on 31st March, 2025 is available on the Company's website i.e. <https://katarespinningmills.com> under investor Relations section.

6. NUMBER OF MEETINGS OF THE BOARD:

Five Meetings of the Board of Directors were held during the financial year 2024-25 and the gap between two consecutive board meetings was in accordance with the statutory limit. The details of the number of meetings held and attended by each Director are provided in the Corporate Governance Report, which forms part of this Report.

COMMITTEES OF THE BOARD:

The Company has the following 3 (Three) Board Committees which have been established in compliance with the requirement of applicable law(s) and statute(s) and function accordingly:

- Audit Committee
- Nomination and remuneration Committee
- Stakeholders Relationship Committee

7. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR), 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 Nomination and Remuneration Committee (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 (LODR), 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 and SEBI (LODR), 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.

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 Nomination and Remuneration Policy for the Directors, KMP and other employees, pursuant to the provisions of the Act and SEBI (LODR), 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.

8. 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.

9. AUDIT COMMITTEE:

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

10. DIRECTORS AND KMP:

As per the provisions of Section 152 of the Act, Mrs. Vidyavati K Katare (DIN: 01443784), she is liable to retire by rotation at the ensuing annual general meeting and being eligible offered herself for re-appointment, the matter will be placed before member of the Company for approval.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed both under Section 149 (6) of the Act and SEBI (LODR), 2015.

11. CORPORATE GOVERNANCE REPORT:

The members please note that the provisions relating to Corporate Governance i.e. Regulation 27 of SEBI (LODR), 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 (LODR), 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:

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. G M Pawle and Associates, Chartered Accountant, Solapur (M.No.032561), was appointed as a Statutory Auditors of the Company at the Annual General Meeting (AGM) held on September 29, 2022, to conduct statutory audit for the term of five years to hold office till the conclusion of Annual General Meeting of the Company to be held in year 2027 and the Board has conveyed his consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, his appointment is within the limits prescribed under the Companies Act, 2013.

The report of the Statutory Auditors the financial year ended 31st March, 2025 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.

13. RESPONSE TO AUDITORS' QUALIFICATION:

The Board of the Company has discussed the points as mentioned in the Auditors Report for period under review, in respect to this management is taking the necessary steps towards it.

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

| Sr. No. | Observations by Statutory Auditor | Comments by the Board |
|---------|---|--|
| 1 | During the year under review; The company has incurred cash loss during the year under review. The spinning division is not operation form last four years or so. There is no concrete proposal in evidence for resuming the operations. | Government of India has increased the MSP price for cotton hence the cotton prices are abnormal and also yarn market is very dull there is no demand for the yarn in local market and export hence company is waiting for favorable market to avoid huge losses The Company is making concerted efforts to restart operations. However, the recommencement has been delayed due to challenging market conditions. These adverse conditions are affecting our ability to resume operations as planned. We are continuously assessing the market situation and exploring feasible solutions to address these challenges and move forward with the recommencement of the division. |

14. SECRETARIAL AUDIT:

The Board pursuant to the provisions of the Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the board of directors of the Company has appointed and recommended to the members of the Company for appointment of M/s. Chetan Kumbhojkar, Practising Company Secretaries, Pune, as the Secretarial Auditor of the Company to conduct the Secretarial Audit as per the provisions of the Companies Act, 2013, for a period of five years commencing from FY 2025-26 to FY 2029-30.

M/s. Nikhil Sawant and Co., Practicing Company Secretaries, was appointed as the Secretarial Auditors in the last FY year, to conduct the audit of secretarial records of the Company for the financial year ended on March 31, 2025 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by him in the prescribed form MR- 3 is annexed to this Report as annexure.

The Secretarial Auditor's report for the financial year ended on March 31, 2025, is self-explanatory annexed herewith; however, the Company has initiated necessary steps to comply with queries and/or non-compliances mentioned under the Secretarial Audit Report as per the provisions of the Act and the SEBI (LODR), 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 Act read with Rule 8(3) of The Companies (Accounts) Rules, 2014, is annexed herewith separately.

17. 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 and also, no deposits were outstanding at the beginning or at the closure of the financial year under review.

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.

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:

During the year, 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 Act.

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 Act.

22. PARTICULARS OF EMPLOYEES:

There are no employee drawing remuneration exceeding the limits prescribed under Section 134(3) (q) of the Act 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 Act and Regulation 22 of the SEBI (LODR), 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 24th December, 2024 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 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 SEBI (LODR), 2015, is presented in a separate section forming part of the Annual Report.

27. DISQUALIFICATION OF DIRECTORS:

None of Director on the Board of the Company has incurred any disqualification on account of non-compliance with any of the provisions of the Act.

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 Act in the preparation of annual accounts for the year ended on 31st March, 2025 and state that:

- i. In the preparation of the annual accounts for Financial Year ended 31st March, 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments 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 and of the profit of the Company for that period.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors have prepared the annual accounts for Financial Year ended 31st March, 2025 on a 'going concern' basis.
- v. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and have been operating efficiently, and
- vi. The Directors have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively.

29. DETAILS OF SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES:

The Company does not have any subsidiary or joint venture 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.

During the year under review:

- Complaints received: 0
- Complaints resolved: 0
- Complaints pending for more than 90 days: 0

31. COMPLIANCE WITH MATERNITY BENEFIT ACT, 1961:

The Company affirms that it has duly complied with the provisions of the Maternity Benefit Act, 1961, including all amendments thereto. All applicable benefits, leave entitlements, and facilities as mandated under the Act have been extended to eligible women employees during the financial year under review. The Company is committed to fostering a supportive, inclusive, and equitable workplace, and remains steadfast in ensuring the well-being and rights of women employees, particularly during and after maternity. Provisions such as paid maternity leave, nursing breaks, and return-to-work support continue to be implemented in both letter and spirit across all Company locations.

32. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016)

Your Company neither made any application nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during the year.

33. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

Your Company has not obtained any one-time settlement of loan from the Banks or Financial Institutions during the year.

34. 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- 00645013)

Add: 14/30 Ground Floor, B Wing, Katare complex,
Gandhinagar, Bl. No. 10 Solapur 413006

Place: Solapur

Date: 11th August, 2025

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 before 2-3 years 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. During the year, the company has not made any capital investment on energy conservation equipment.
- During the financial year the Company has managed to run most of its business operations on electricity generated from solar plants owned by the Company, taking step towards being self-reliant in energy consumption and as a responsibility towards environment.

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.

Expenditure incurred on Research and Development: Nil

Foreign Exchange Earnings: Nil

Foreign Exchange Outgo: Nil

Form “A”
POWER & FUEL CONSUMPTION

(Rs. In Thousand)

| Sr. No. | Particulars | Spinning Division | |
|----------|-----------------------------|----------------------|-----------------------|
| | | Current year 2025 | Previous Year 2024 |
| 1 | Electricity | | |
| | Purchased units from MSEDCL | 21,495 | 21,432 |
| | Total amt. Rs. | 4,604 | 3,846 |
| | Rate Unit Rs. | 218.28 | 179.42 |
| | | | |
| 2 | Own Generation | | |
| | Solar Plant | | |
| | Unit | 11,25,441 | 13,11,265 |
| | Rate per unit Rs. | 4.20 | 4.81 |

By Order of the Board of Directors

KATARE SPINNING MILLS LIMITED

SD/-

KISHORE KATARE

MANAGING DIRECTOR

(DIN- 00645013)

Add: 14/30 Ground Floor, B Wing, Katare complex,
Gandhinagar, Bl. No. 10 Solapur 413006

Place: Solapur

Date: 11th August, 2025

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 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-

(Rs. in thousand)

| 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 | Unsecured Loan | Receipt | 4875 | 30.05.2024 | NIL |
| | | Interest Payable | 2971 | | |
| | | Repayment | 395 | | |
| | | Sum paid on behalf of the Company | 440 | | |
| Kamal Katare (CFO) | Son of the Director | Salary Credit | 120 | 30.05.2024 | NIL |
| | | Amounts Paid | 120 | | |
| Vidyavati Katare | Director Remuneration | Director Sitting Fees | 8 | 30.05.2024 | NIL |

| | | | | | | |
|---|---|---|---------|-------|------------|-----|
| Kamal Marketing | Purchase of Cotton | Purchase of Yarn | Ongoing | 48207 | 30.05.2024 | NIL |
| Private Limited-Common Directors | Sale of Cotton | Sale of Yarn | | 48301 | | |
| | Unsecured Loan | Amount Received | | 94 | | |
| | | Amount Paid | | 00 | | |
| Katare Cotton Waste Spg. (Common partner) | Sale of Yarn | Sale of Yarn | Ongoing | 1210 | 30.05.2024 | NIL |
| | Purchase of Yarn | Purchase of Yarn | | 587 | | |
| | Expenses paid | Payment | | 50 | | |
| Kamala Co-op Bank (Vidyavati K Katare) | Enerprise where KMP has Significance Influence/C ontrol | OD Facility with Bank FD with Bank Shares | Ongoing | 573 | 30.05.2024 | NIL |
| | | | | 732 | | |
| | | | | 2 | | |

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 |
|---------|-----------------------|-------------------|---------------------------|---------|------------|--|
| | | | 2024-25 | 2023-24 | | |
| 1 | KISHORE KATARE | Managing Director | 0 | 0 | 0 | NA |

By Order of the Board of Directors
KATARE SPINNING MILLS LIMITED

SD/-

KISHORE KATARE

MANAGING DIRECTOR

(DIN- 00645013)

Add: 14/30 Ground Floor, B Wing, Katare complex,
 Gandhinagar, Bl. No. 10 Solapur 413006

Place: Solapur

Date: 11th August, 2025

MANAGEMENT DISCUSSION AND ANALYSIS

1. Current scenario of Economy

The current economic landscape is characterized by a blend of cautious optimism and prevailing uncertainties. Globally, economies are grappling with inflationary pressures fueled by rising raw material costs and energy prices, alongside persistent supply chain disruptions. These factors have contributed to an environment of volatility, impacting operational costs for businesses across sectors, including textiles and solar energy. Geopolitical tensions and trade conflicts have further intensified market unpredictability, affecting global trade flows and potentially leading to fluctuations in demand and supply chain stability. Central banks worldwide are adjusting monetary policies in response to inflation and economic growth concerns, influencing borrowing costs and investment decisions.

In the Indian context, the economy demonstrates resilience amid these global challenges, with moderate growth projections supported by strong domestic consumption, substantial government infrastructure investments, and a burgeoning young demographic. The government's proactive measures, including stimulus packages and policy initiatives such as the Production Linked Incentive (PLI) scheme, aim to bolster industrial activity and investment. Despite this, inflationary trends driven by global commodity price shifts and supply chain constraints are closely monitored by the Reserve Bank of India (RBI) and the government.

2. Business Segment

Textile Industry:

The Indian spinning mill industry is facing a number of challenges, including high production costs, low yarn prices, and a slowdown in demand. These challenges have led to many mills incurring losses and some even shutting down.

The high production costs are due to factors such as rising raw material prices, power tariffs, and labour wages. The low yarn prices are due to the increasing competition from China and other countries. The slowdown in demand is due to the weak global economy.

The Government has taken some steps to address the challenges facing the spinning mill industry. These include providing financial assistance to mills, reducing import duties on raw materials, and promoting exports. However, more needs to be done to help the industry recover. The textile industry, a pivotal segment of the global economy, continues to experience dynamic shifts influenced by evolving consumer preferences, technological advancements, and regulatory changes. The Indian textile sector, which is a major contributor to employment and economic output, is adapting to these changes with a focus on sustainability and innovation.

The outlook for the spinning mill industry in India is uncertain. If the challenges are not addressed, the industry could continue to decline. However, if the Government is able to provide effective support, the industry could rebound and become more competitive.

Solar Power Project:

The Solar industry is growing rapidly and is expected to play a major role in India's energy future. The solar energy sector has emerged as a critical component of the global transition towards renewable energy. Driven by government policies, technological advancements and growing environmental awareness, the sector is witnessing significant expansion. India, with its ambitious solar targets and supportive policy framework, is positioned as a key player in this transformation.

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 additional electricity is sold to MSEB. This is the first net metering installation in the Maharashtra. During the financial year total 11,25,441 electricity units have been generated and it helps the Company to reduce the cost of productions and move ahead towards goal of sustainable growth.

3. Industry Outlook

Textile Industry:

The outlook for the textile industry in India is positive. The industry is expected to grow at a healthy pace in the coming years. The growth of the industry will create jobs and boost the economy.

Here are some of the specific trends that are expected to shape the textile industry in India in the coming years:

Growth of the e-commerce sector: The growth of the e-commerce sector is expected to boost the demand for textile products. This is because e-commerce platforms offer a wider range of products and convenient shopping experience.

Increased focus on sustainability: There is an increasing focus on sustainability in the textile industry. This is due to factors such as environmental concerns and the growing demand for ethical products. The textile industry is adopting sustainable practices, such as using recycled materials and water-saving technologies.

Personalization: There is an increasing demand for personalized textile products. This is due to factors such as the growing popularity of social media and the increasing affluence of consumers. The textile industry is adopting new technologies to personalize products, such as 3D printing and laser cutting.

Innovation: The textile industry is constantly innovating to develop new products and processes. This is being driven by factors such as the increasing competition and the need to meet the changing needs of consumers. The textile industry is developing new products, such as smart textiles and functional textiles.

These are just some of the trends that are expected to shape the textile industry in India in the coming years. The industry is undergoing a transformation, and it is expected to become more sustainable, innovative, and customer-centric.

Solar Power Project:

The solar industry is growing rapidly. The outlook for the solar industry is very positive. The industry is expected to grow at a healthy pace in the coming years. The growth of the industry will create jobs and help to reduce greenhouse gas emissions.

The industry is undergoing a transformation, and it is expected to become more sustainable, efficient, and affordable. In India, the solar industry is

growing even faster than the global average. The country's cumulative solar power capacity installed had significantly increased to 119.02 GW as of July 2025 as compare to 85.47 GW for June 2024. This makes India the third largest producer of solar power in the world.

The government of India has been promoting solar energy through a number of policies, such as the National Solar Mission and the Jawaharlal Nehru National Solar Mission, PM Surya Ghar: Muft Bijli Yojana. These policies have helped to reduce the cost of solar energy and make it more affordable.

The outlook for the solar industry in India is very positive. India has set a target to reduce the carbon intensity of the nation's economy by less than 45% by the end of the decade, achieve 50 percent cumulative electric power installed by 2030 from renewables, and achieve net-zero carbon emissions by 2070. India aims for 500 GW of renewable energy installed capacity by 2030.

4. Opportunities

Textile Industry:

The demand for apparel is growing globally, due to factors such as rising disposable incomes, increasing urbanization, and changing lifestyles. This is creating opportunities for spinning mills to produce more yarn to meet the demand.

There is an increasing focus on sustainability in the textile industry. This is due to factors such as environmental concerns and the growing demand for ethical products. Spinning mills can capitalize on this trend by adopting sustainable practices, such as using recycled materials and water-saving technologies.

- **Sustainability Trends:** Growing consumer demand for sustainable and eco-friendly textiles presents opportunities for product differentiation and market growth.
- **Market Expansion:** Opportunities to enter new geographical markets and expand our product offerings.
- **Technological Advancements:** Potential to leverage new technologies to enhance product quality and manufacturing efficiency.

There is an increasing demand for personalized textile products. This is due to factors such as the growing popularity of social media and the increasing affluence of consumers. Spinning mills can cater to this demand by offering customization options, such as choosing the yarn type, color, and weight.

The growth of the e-commerce sector is creating opportunities for spinning mills to reach a wider customer base. Spinning mills can sell their products online through e-commerce platforms, such as Amazon and Flipkart. India is a major exporter of textile products. Spinning mills can capitalize on this by exporting their products to countries around the world.

These are just some of the opportunities in the spinning industry in the upcoming years. The industry is undergoing a transformation, and it is expected to become more sustainable, innovative, and customer-centric. Spinning mills that are able to adapt to these changes will be well-positioned to succeed in the future.

Solar Power Project:

The global solar energy market size was valued at \$94.6 billion in 2022, and solar energy industry is projected to reach \$300.3 billion by 2032, growing at a CAGR of 12.3% from 2023 to 2032. This growth is being driven by factors such as government policies, falling prices of solar modules, and increasing awareness of solar energy.

There are a number of solar projects that are being deployed in India, such as solar farms, rooftop solar systems, and solar water heaters. These projects are creating opportunities for solar companies to provide engineering, procurement, and construction (EPC) services, as well as solar products and solutions.

There are a number of new solar technologies that are being developed, such as concentrated solar power and solar thermal energy. These technologies are expected to play a role in the future of solar energy, and they are creating opportunities for solar companies to develop and deploy these technologies.

These are just some of the opportunities in the solar industry in the upcoming years. The industry is undergoing a transformation, and it is expected to become more sustainable, innovative, and customer-centric. Solar companies that are able to adapt to these changes will be well-positioned to succeed in the future.

5. Risks and Concerns

The Government policies and volatile economic environment have a bearing on the overall performance of the company. Continuous Quality Improvement is the need of hour as there are different demand pattern all over the world. Striking a balance between the quality and price of products.

6. The Financial and Operational Performance

The Company has generated a revenue of Rs. 53,642 (in thousand) during the reporting year from spinning segment as compared to Rs. 43,549 (in thousand) for the previous financial year. The reason for increase in revenue is the average cotton price in India during the 2024-25 season was around INR 54,000 per candy (356 kg), which was significantly lower than the previous season. This led to an increase in cotton yarn production and consumption in the domestic market. It needs to take genuine steps 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 is committed to maintaining adequate internal control systems as a part of efficient corporate governance. The system ensures that all transactions are authorized, recorded and reported correctly to safeguard assets and protect them from any loss due to unauthorized use or disposition. The operating managers make sure that all operations within their area are compliant and safeguarded against all risks whereas on the other, auditors carry out random audits to detect flaws in the system, which makes it effective and efficient. Internal audit reports are prepared to create awareness and to take corrective actions on the respective units or areas, which need rectification. These reports are then reviewed by the management team and the Audit Committee for follow-up action.

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. A motivated and efficient workforce can help it attain its target in a realistic manner. Taking cognizance of that fact, the Company provides extensive training to its employees in order to develop their skill sets and keep them motivated. The Company appreciates the productive co-operation extended by its employees in the efforts of the management to carry the Company to greater heights.

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. Significant Financial Ratios Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor

| Sr. No. | Particulars | FY 2024-25 | FY 2023-24 | Variance (In %) | Detail explanation for change (where the change is 25% or more as compared to the immediately previous financial year) |
|---------|-----------------------------|------------|------------|-----------------|--|
| 1 | Current Ratio | 0.78 | 0.95 | 17.58% | Not applicable since change is not more than 25% |
| 2 | Debt Service Coverage Ratio | (0.08) | (0.12) | 31.54% | Due to reduction in sale of yarn and stock of yarn on account of adverse market conditions for cotton. |

| | | | | | |
|---|----------------------------------|---------|--------|----------|---|
| 3 | Return on Equity Ratio | (0.01) | (0.02) | 6.23% | Not applicable since change is not more than 25% |
| 4 | Trade Receivables Turnover Ratio | 3.09 | 2.09 | -47.75% | Due to increase in revenue from operations on account of trading in yarn and significant decrease in average trade receivables compared to last FY. |
| 5 | Trade Payable Turnover Ratio | 139.49 | 57.11 | -144.24% | Due to significant increase in Trading Yarn purchases and decrease in average trade payable compared to last financial year. |
| 6 | Net Capital Turnover Ratio | (28.91) | 4.96 | 682.60% | Due to considerable reduction in working capital due to adverse market conditions and increase in revenue from operations as stated above. |
| 7 | Net Profit Ratio | (0.34) | (0.47) | 27.73% | Due to increase in revenue from operations and other income as stated above in point no. 02. |
| 8 | Return on Capital Employed | (0.01) | (0.01) | 2.44% | Not applicable since change is not more than 25% |
| 9 | Return on Investment | 0.05 | 0.05 | 0.00% | Not applicable since change is not more than 25% |

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.

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

| Sr. No. | Observations by Secretarial Auditor | Comments by the Board |
|----------------|---|--|
| 1 | There are delays in certain cases w.r.t. the filing of e-Forms with the Registrar of Companies, Pune, Maharashtra | Due to the technical issues, the Company has not able to file forms to ROC within due dates, but the Company has complied the compliances asap. |
| 2 | In accordance with Regulation 31(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is noted that 3,650 equity shares (representing 0.13% of the total shareholding) held by the Promoters and Promoter Group remain pending for dematerialization as on the year-end date. | We have requested concerned promoters and promoter group to take necessary steps for conversion of physical shares into dematerialized form. |
| 3 | The Company has not complied with the provisions of Section 124 of the Companies Act, 2013 and the applicable rules thereunder, relating to the transfer of unclaimed and unpaid dividends, along with the corresponding shares, to the Investor Education and Protection Fund (IEPF). The unpaid dividend pertains to the amount declared at the Annual General Meeting held in the year 2013. | The Company was in CIRP process in 2021-22, due to this the Company was unable to complete compliances under Section 124 of the Companies Act, 2013. We assure that, the management will take all the necessary steps to complete the pending the compliances. |

By Order of the Board of Directors
KATARE SPINNING MILLS LIMITED

SD/-

KISHORE KATARE
MANAGING DIRECTOR
(DIN- 00645013)

Add: 14/30 Ground Floor, B Wing, Katare complex,
Gandhinagar, Bl. No. 10 Solapur 413006

Place: Solapur

Date: 11th August, 2025

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 will 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 5(Five) as on 31st March, 2025, whose composition and category are given below:

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

A) THE CONSTITUTION OF THE BOARD AS ON 31stMARCH, 2025

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 |
| Mr. Kishore Katare | Promoter, Managing Director | 1 | 1 | NIL | NIL |
| Mr. Yadgiri Konda | Independent Director | NIL | NIL | NIL | NIL |
| Mr. Vilas Shendge | Independent Director | NIL | NIL | NIL | NIL |
| Mr. Umakant Mahindrakar | Director | NIL | NIL | NIL | NIL |
| Mrs. Vidyavati Katare | Director | 1 | 1 | NIL | NIL |

None of the Director 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.

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

During the year ended March 31, 2025, 5(Five) Board Meetings were held on 30th April, 2024, 30th May, 2024, 09th August, 2024, 12th November, 2024 and 06th February, 2025 and the Annual General Meeting during the year was held on 27th September, 2024.

| Name of the Directors | Category of Directorship | No. of Board Meeting Attended | Attendance at the last AGM held on 27.09.2024 |
|-----------------------|--------------------------|-------------------------------|---|
| Mr. K. T. Katare | Managing Director | 5 | Present |
| Mr. Y. N. Konda | Independent Director | 5 | Present |
| Mr. V. R. Shendge | Independent Director | 5 | Present |
| Mr. U. M. Mahindrakar | Director | 5 | Present |
| Mrs. V. K. Katare | Director | 5 | Present |

3. COMIITTEE 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 31st March, 2025, Four Meetings were held. The composition of the Audit Committee is as follows:

| Members of Audit Committee | Position | Committee Meetings |
|-----------------------------------|-------------------------------|---------------------------|
| Mr.Yadgiri Konda | Chairman-Independent Director | 4 |
| Mr.Vilas Shendge | Independent Director | 4 |
| Mrs. Vidyavati Katare | 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; andDeciding 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 31st March, 2025, Two Meetings were held.

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

| Members of Nomination and Remuneration Committee | Position | Committee Meetings |
|---|-------------------------------|---------------------------|
| Mr.Yadgiri Konda | Chairman-Independent Director | 2 |
| Mr. Vilas Shendge | Independent Director | 2 |
| Mrs. Vidyavati Katare | Director | 2 |

The detail of remuneration for the year ended 31st March, 2025 paid to the Director/ Managing Director during the period is as under:

| Director | Salary | Perquisites | Cont. to PF & Other Funds | Total |
|--|---------------|--------------------|--------------------------------------|--------------|
| MD was appointed on non-remuneration basis in the Company. | | | | |

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.

COMPOSITION:

During the year ended 31st March, 2025, Two Meetings were held.

The composition of the Stakeholders Relationship Committee is as follows:

| Members of Stakeholders Relationship Committee | Position | Committee Meetings |
|---|-------------------------------|---------------------------|
| Mr.Yadgiri Konda | Chairman-Independent Director | 2 |
| Mr. Vilas Shendge | Independent Director | 2 |
| Mrs. Vidyavati Katare | 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, 2025.

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 |
|-----------------------|-------------|-------------|--|
| 2023-24 | 27.09.24 | 11.00 A.M. | At 14/30 Ground Floor, B Wing, Katare Complex,Gandhinagar, Solapur MH-413006 |
| 2022-23 | 29.09.23 | 11.00 A.M. | At 14/30 Ground Floor, B Wing, Katare Complex,Gandhinagar, Solapur MH-413006 |
| 2021-22 | 29.09.22 | 11.00 A.M. | At 14/30 Ground Floor, B Wing, Katare Complex,Gandhinagar, Solapur MH-413006 |

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 Indian Accounting Standard (IND AS) 24 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 on at arm's length basis.

The Company has complied with all the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except there was some delays due to some technical issues in filling below mentioned compliances of certain regulations under the SEBI (LODR), 2025.

| Regulations | Quarter/ Month | Non submission/ late submission | Outstanding Fine |
|--------------------|---------------------------|--|--|
| SOP-Reg-23(9) | Sep-22 | Not applicable | Waiver of fines- due to non- applicability of said regulations |
| SOP-Reg-31 | Mar-14 | Late Submission | 63,500/- |
| SOP-Reg-31 | Jun-14 | Late Submission | 65,500/- |
| SOP-Reg-31 | Jun-15 | Late Submission | 9,000/- |
| SOP-Reg-33 | Mar-22 | Late Submission | 475,000/- Partial waiver of fines |
| Total Fine | | | 613,000/- |
| GST@18% | | | 110,340/- |
| Net Fine Payable | | | 723,240/- |

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 and same are uploaded on website of the Company.

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.

8. GENERAL SHAREHOLDERS INFORMATION:

| Sr. No. | Particulars | Information |
|----------------|--|---|
| a) | Annual General Meeting i) Day, Date & Time ii) Venue | Monday, 29 th September 2025 at 11.00 A.M. at 14/30 Ground Floor, B Wing, Katare Complex, Gandhinagar, Bl. No. 10 Solapur MH- 413006. |
| b) | Financial Calendar (tentative) Results for the 01 st Quarter Ending 30 th June, 2025 Result for the 02 nd Quarter/Half Year Ending 30 th September 2025 Result for the 03 rd Quarter Ending 31 st December, 2025 Results for the 04 th Quarter/Year Ending 31 st March, 2026 | Second Week August 2025 Second Week November 2025 Second Week February 2025 Second Week May 2026 |
| c) | Book Closure Date (Both days inclusive) | Sunday, 21 st September, 2025 to Monday 29 th September, 2025 |
| d) | Listing on Stock Exchanges | The Bombay Stock Exchange Ltd., Mumbai |
| e) | Stock Code | 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 | Bombay Stock Exchange | |
|----------------|------------------------------|----------------|
| | High Rs. | Low Rs. |
| April 2024 | 274 | 225 |
| May 2024 | 251 | 227 |
| June 2024 | 255 | 222.05 |
| July 2024 | 255 | 202 |
| August 2024 | 250 | 221.30 |
| September 2024 | 245 | 213 |
| October 2024 | 236.80 | 206.20 |

| | | |
|---------------|--------|--------|
| November 2024 | 243.95 | 208.20 |
| December 2024 | 229.20 | 199 |
| January 2025 | 225 | 185 |
| February 2025 | 212 | 175.20 |
| March 2025 | 203 | 170 |

g) Share holding pattern as on 31.03.2025

| Sr. No. | Category | No. of Shares | % (Percentage) |
|----------------|---|----------------------|-----------------------|
| 1 | Promoters (Including Relatives of Director) | 1416425 | 49.70 |
| 2 | Body Corporate | 122544 | 4.30 |
| 3 | HUF | 37063 | 1.30 |
| 4 | Resident Individuals | 1264768 | 44.57 |
| 5 | Non-Resident Indian | 650 | 0.02 |
| 6 | Financial Institutions/Banks | 7900 | 0.28 |
| 7 | Clearing Member | 650 | 0.02 |
| | TOTAL | 2850000 | 100.00 |

h) Distribution of Shareholding as on 31.03.2025

| Shareholding of nominal value | No. of Shareholders | % | Nominal Value of Equity Shares(Rs.) | % |
|--------------------------------------|----------------------------|----------|--|----------|
| 1 to 5000 | 1799 | 88.32 | 2077060 | 7.29 |
| 5001 to 10000 | 76 | 3.73 | 594320 | 2.08 |
| 10001 to 20000 | 53 | 2.60 | 762410 | 2.68 |
| 20001 to 30000 | 28 | 1.37 | 689750 | 2.42 |
| 30001 to 40000 | 23 | 1.13 | 800060 | 2.81 |
| 40001 to 50000 | 9 | 0.44 | 399740 | 1.40 |
| 50001 to 100000 | 24 | 1.18 | 1716020 | 6.02 |
| 100001 to onwards | 25 | 1.22 | 21460640 | 75.30 |

i) Registrar and share Transfer Agent: MUFG Intime India Pvt. Ltd.

(Formerly known as Link Intime India Private Limited),

Akshay Complex, Block No.202, 2nd Floor, Opp. Dhole Patil Road, Pune-411001.

E-mail: rnt.helpdesk@in.mpms.mufg.com

j) 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 MUFG Intime India Pvt. Ltd. (Formerly known as Link Intime India Private Limited), Pune handle 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) Dematerialization of Shares:

As on 31st March, 2025 Equity shares were in de-materialized form representing 93.59% of the total share capital.

l) Plant Location:

Spinning Mills:

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

Solar Plant:

Kamala Nagar, Tamalwadi
Tal. Tuljapur, Dist. Osmanabad

m) Address for Correspondence:

KATARE SPINNING MILLS LIMITED

14/30 Ground floor, B Wing,
Katara Complex, Gandhinagar,
Bl. No. 10, Solapur - 413006.

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 violate 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)

Add: 14/30 Ground Floor, B Wing, Katare Complex,
Gandhinagar, Bl. No. 10 Solapur 413006

Place: Solapur

Date: 11th August, 2025

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

[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

(CIN: L17119PN1980PLC022962)

**Registered Office: 14/30 Ground Floor, B Wing, Katare Complex,
Gandhinagar, Bl. No. 10, Solapur 413006**

I have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by Katare Spinning Mills Limited (CIN: L17119PN1980PLC022962) (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 my opinion thereon.

Based on my earlier visits in the Company and current date’s physical 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 31st March, 2025 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 of some non-compliances 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 31st March, 2025, 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;**

(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;

(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, 2018- **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 letter given by the Company.

I have also examined compliances 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 respect to;

- 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 some of the following observations;

1. There are delays in certain cases w.r.t. the filing of e-Forms with the Registrar of Companies, Pune, Maharashtra.
2. In accordance with Regulation 31(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is noted that 3,650 equity shares (representing 0.13% of the total shareholding) held by the Promoters and Promoter Group remain pending for dematerialization as on the year-end date.
3. The Company has not complied with the provisions of Section 124 of the Companies Act, 2013 and the applicable rules thereunder, relating to the transfer of unclaimed and unpaid dividends, along with the corresponding shares, to the Investor Education and Protection Fund (IEPF). The unpaid dividend pertains to the amount declared at the Annual General Meeting held in the year 2013.

I further report that;

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as on 31st March, 2025. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 record, 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 were 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**

Place: Pune

Date: 09th August, 2025

Proprietor

M. No. F12263 CP No- 14691

UDIN- F012263G000971254

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

Annexure A to the Secretarial Audit Report

To,
The Members,
Katare Spinning Mills Limited
(CIN: L17119PN1980PLC022962)
Registered Office: 14/30 Ground Floor, B Wing, Katare Complex,
Gandhinagar, Bl. No. 10, Solapur 413006

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 are 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

Place: Pune
Date: 09th August, 2025

Proprietor
M. No. F12263 CP No- 14691
UDIN- F012263G000971254

INDEPENDENT AUDITOR’S REPORT

To,
The Members of Katare Spinning Mills Limited

Report on the Audit of the Standalone Financial Statement

Opinion

I have audited the accompanying standalone financial statements of Katare Spinning Mills Limited (“the Company”), which comprise the Balance Sheet as at 31st March 2025, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of changes in equity for the year then ended, and notes to standalone financial statements and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the “standalone financial statements”).

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 Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025 and its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for qualified Opinion

I conducted my audit of the standalone financial statements in accordance with the Standards on Auditing (“SA”s) specified under section 143(10) of the Act. My responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of my report. I am Independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to my audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. I believe that the audit evidence obtained by me is sufficient and appropriate to provide a basis for my qualified opinion on the standalone financial statements.

Emphasis of the matter:

Material Uncertainty Related to Going Concern

The Company’s spinning division has not been in operation from last four years. There is no concrete step initiated to bring the unit in operation. The company has incurred a net cash loss during the year under review. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. However, the Ind AS financial statements of the Company are prepared on a going concern basis. My opinion is not modified in respect of this matter.

Key Audit Matters:

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the standalone financial statements as-a- whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

| Key Audit Matter | How the same is addressed in the audit |
|---|---|
| <p>Going Concern as described in Note No. 2 of Financial Statements</p> <p>The company has incurred cash loss during the year under review. The spinning division is not operation form last four years or so. There is no concrete proposal in evidence for resuming the operations.</p> | <p>My audit procedure included – The management assessment regarding Going Concern status is reviewed and preparation and presentation of the accounts on that basis and concluded that though the division is not in operation, the management consider taking the steps for resuming the operations. At this stage it will be premature to say that the company’s assertion regarding Going Concern status is unacceptable considering the grounds presented by the management before me.</p> |
| <p>Deferred Tax Asset/liability</p> <p>There is a complexity relating to the treatment and recognition of current and deferred taxation, arising from significant or unusual transactions may be ambiguous and thereby require legal opinion. In addition, the determination of whether to recognize deferred taxation assets is dependent on the directors’ assessment of the utilization of the historical taxation losses and the timing of realizing temporary differences, which requires significant judgment.</p> <p>With respect to uncertain taxation positions, the directors make provision for taxation based on the most probable</p> | <p>I evaluated the taxation provisions and potential exposures. This included:</p> <ul style="list-style-type: none">• Analyzing the taxation consequences arising on significant or unusual transactions to determine if the treatment adopted is appropriate under the circumstances, and/or based on appropriate legal counsel opinion obtained by the directors.• Analyzing the current and deferred taxation calculations for |

| | |
|---|---|
| <p>outcome.</p> <p>As a result, taxation is considered a key audit matter due to the complexities and judgment arising from the considerations relating to the calculation, recognition, and classification of current and deferred tax balances.</p> <p>The disclosures relating to taxation and deferred taxation are contained in note No.8 of the financial statements.</p> | <p>compliance with relevant taxation legislation and uncertainty to recoup the same by way of future taxable profits</p> <ul style="list-style-type: none">• Evaluating the directors' assessment of the estimated manner in which the timing differences, including the recoverability of the deferred taxation assets, would be realized by comparing this to evidence obtained in respect of other areas of the audit, including cash flow forecasts, minutes of directors' meetings and evidence obtained in other areas during the performance of our audit procedures.• Critically evaluating the assumptions made by the directors for uncertain current and deferred taxation positions to assess whether appropriate current and deferred taxation provisions have been recognized and are based on the most probable outcome.• I assessed the disclosures to ensure that this was accurately and appropriately recognized and found that the disclosures relating to the current and deferred tax are appropriate |
|---|---|

Information other than the financial statements and auditors' report thereon:

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained during the course of my audit or otherwise appears to be materially misstated.

If, based on the work I have performed, If I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under Section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

My objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, I am also responsible for expressing my opinion on whether the Company has adequate internal financial controls with

reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. I consider quantitative materiality and qualitative factors in (i) Planning the scope of my audit work and in evaluating the results of my work; and (ii) To evaluate the effect of any identified misstatements in the Financial Statements.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

II. Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on my audit 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 standalone financial statements dealt with by this report The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of accounts.
- d) In my opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2025 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 with reference to financial statements of the Company and the operating effectiveness of such controls refer to my separate report in "Annexure A". My report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance the requirements of section 197(16) of the Act, as amended:

In my opinion and to the best of my information and according to the explanations given to me, during the year under review Company has not paid/provided remuneration to the directors. Hence provisions of Section 197 of the Act are not applicable.
- h) 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) Rule, 2014, as amended in my opinion and to the best of my information and according to the explanations given to me:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements.
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

- iii) There are no incidences where the amount is required to be transferred to the investor Education and Protection Fund by the Company.
 - iv) (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the note to the Standalone Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to my notice that has caused me to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. In view of the losses, the Board of directors has not proposed a dividend for the year under review.
 - vi. Based on my examination, which included test checks, the Company has used accounting software for maintaining its books of accounts for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transaction recorded in the software. Further I did not come across any instance of audit trail featured being tampered with.
2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, I give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For G M PAWLE AND ASSOCIATES
Chartered Accountants
FRN- 160253W

Place: Solapur
Date: 30/05/2025

Ganesh Mallikarjun Pawle
Proprietor
(Membership No.: 032561)
UDIN: **25032561BMHXSS4032**

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of my report to the Members of Katare Spinning Mills Limited of even date)

Report on the Internal Financial Controls with reference to Standalone Financials Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

I have audited the internal financial controls with reference to standalone financial statements of Katare Spinning Mills Limited (the “Company”) as of March 31, 2025 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 with reference to standalone financial statements 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 (the “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 Act.

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 with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, 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.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements 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, 2025, 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 AND ASSOCIATES
Chartered Accountants
FRN- 160253W

Place: Solapur
Date: **30/05/2025**

Ganesh Mallikarjun Pawle
Proprietor
(Membership No.: 032561)
UDIN: **25032561BMHXSS4032**

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of my report to the Members of Katare Spinning Mills Limited of even date)

To the best of my information and according to the explanations provided to me by the Company and the books of account and records examined by me in the normal course of audit, I that:

- i. In respect of the Company's property, plant and equipment, right-of-use assets and intangible assets:
 - (a) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.
 - (ii) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) Property, Plant and Equipment have been physically verified by the management during the year in accordance with the phased program of verification adopted by the management which, in my opinion, provides for physical verification of all the Property, Plant and Equipment 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) Based on my examination of the property tax receipts and agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to me, I report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
 - (d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. In respect of its inventory:
 - (a) The management has conducted physical verification of inventory at reasonable intervals during the year, in my opinion, the coverage and procedure of such verification by the management is appropriate. As informed to me, any discrepancies of 10% or more in the aggregate for each class of inventory were not noticed on such verification.
 - (b) The company has not been sanctioned working capital limits in excess of five crore rupees (at any point of time during the year), in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly,

the provisions of clause 3(ii)(b) of the order are not applicable.

- iii. The Company has during the year, not made investments in, 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. The company has not accepted any deposits or amounts which are deemed to be deposits under the directives of the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable. Accordingly, the provisions of clause 3(v) of the order are not applicable.
- v. The company has not accepted any deposit or amounts which are deemed to be deposits. Hence reporting under clause 3(v) of the Order is not applicable.
- 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) In my opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities, except the amount of Professional Tax Rs. 36,425.
 - b) There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961
- ix. (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix) (a) of the Order is not applicable.
 - (b) The Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
 - (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting

- under clause 3(ix) (c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on a short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 - (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
 - (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised money by way of an initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x) (a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x) (b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) the whistle blower complaints were not received by the Company during the year (and up to the date of this report), hence determining the nature, timing and extent of such complaints in my audit procedures does not arise.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. In my opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) According to the information and explanations given to me, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) I have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of my audit procedures.

- xv. In my opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence the provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

- xvi. (a) In my opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable.

 (b) In my opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi) (d) of the Order is not applicable.

- xvii. The Company has incurred cash losses during the financial year covered by my audit and the immediately preceding financial year.

- xviii. There has been no resignation of the statutory auditors of the Company during the year.

- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and my knowledge of the Board of Directors and Management plans and based on my examination of the evidence supporting the assumptions, nothing has come to my attention, which causes me to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. I, however, state that this is not an assurance as to the future viability of the Company. I further state that my reporting is based on the facts up to the date of the audit report and I neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

- xx. The provisions of section 135 towards corporate social responsibility are not applicable to the company. Accordingly, the provisions of clause 3(xx) of the order are not applicable.

For G M PAWLE AND ASSOCIATES
Chartered Accountants
FRN- 160253W

Place: Solapur
Date: 30/05/2025

Ganesh Mallikarjun Pawle
Proprietor
(Membership No.: 032561)
UDIN: **25032561BMHXSS4032**

KATARE SPINNING MILLS LTD
Audited Balance Sheet as at 31st March, 2025

(All amounts are in Thousand)

| | Particulars | Note | As at 31/03/2025 | As at 31/03/2024 |
|---|---|------|---------------------|---------------------|
| I | ASSETS | | | |
| | Non-current assets | | | |
| | Property, plant and equipment and Intangible assets | 1 | 11,43,241 | 11,54,242 |
| | Capital work-in-progress | 2 | (0) | 658 |
| | Investment property | | - | - |
| | Goodwill | | - | - |
| | Intangible assets under development | | - | - |
| | Biological assets other than bearer plants | | - | - |
| | Financial assets | 3 | - | - |
| | - Non-Current investments | 4 | 11 | 11 |
| | - Long-term loans and advances | 5 | - | - |
| | - Trade Receivables | 6 | - | - |
| | - Others | 7 | 28,743 | 30,446 |
| | Deferred tax assets (Net) | 8 | - | - |
| | Other non-current assets | | - | - |
| | Total Non Current Asset : A | | 11,71,994 | 11,85,357 |
| | Current assets | | | |
| | Inventories | 9 | 14,401 | 14,112 |
| | Financial assets | | | |
| | - Current investments | | - | - |
| | - Trade and other receivables | 10 | 16,101 | 17,039 |
| | - Cash and cash equivalents | 11 | 755 | 711 |
| | - Short term loans and advances | 12 | 615 | 615 |
| | Assets for current tax (net) | | | |
| | Other current assets | 13 | 3,078 | 2,836 |
| | Non-current assets classified as held for sale | | | |
| | Other Non-Current Assets | | - | - |
| | Total Current Assets : B | | 34,951 | 35,312 |
| | | | | |
| | Total Assets | | 12,06,945 | 12,20,669 |

KATARE SPINNING MILLS LTD
Audited Balance Sheet as at 31st March, 2025

| | Particulars | Notes | As at 31/03/2025 | As at 31/03/2024 |
|----|--|-------|---------------------|---------------------|
| II | EQUITY AND LIABILITIES | | | |
| | Equity | | | |
| | Equity Share capital | 14 | 28,500 | 28,500 |
| | Other Equity | 15 | 11,30,050 | 11,47,354 |
| | - Equity component of other financial instrument | | | |
| | - Retained earnings @ | | | |
| | - Reserves | | | |
| | - Reserves representing unrealised gains/ losses | | | |
| | - Other reserves | | | |
| | Money received against share warrants | | | |
| | Others | | | |
| | Share application money pending allotment | | | |
| | Total Equity | | 11,58,550 | 11,75,854 |
| | Non-current liabilities | | | |
| | Financial liabilities | | | |
| | - Long term borrowings | 16 | - | 316 |
| | - Other financial liabilities (Trade Payable) | 17 | 1,882 | 2,585 |
| | Long term provisions | | - | - |
| | Deferred tax liabilities (Net) | | 1,980 | 4,831 |
| | Other non-current liabilities | 18 | - | - |
| | Total Non Current Liabilities | | 3,862 | 7,732 |
| | Current liabilities | | | |
| | Financial liabilities | | | |
| | - Short term borrowings | 19 | 42,951 | 35,647 |
| | - Trade and other payables | 20 | 247 | 411 |
| | - Other financial liabilities | | - | - |
| | Other current liabilities | 21 | 1,336 | 1,025 |
| | Short-term provisions (IT Provision) | | | - |
| | Liabilities for current tax (net) | | | |
| | Total Current Liabilities | | 44,533 | 37,083 |
| | Total Liabilities | | 12,06,945 | 12,20,669 |

The accompanying notes are an integral part of the financial statement

As per my audit report of even date

G M PAWLE AND ASSOCIATES
Chartered Accountants
FRN : 160253W

For and on behalf of the Board
Katara Spining Mills Ltd

SD/-

SD/-

SD/-

GANESH M PAWLE
Chartered Accountant, Proprietor
ICAI Membership No :032561
Place : Solapur
Date : 30.05.2025
UDIN : 24032561BJZXLT6803

K T Katara
Managing Director
DIN 00645013
Place : Solapur
Date : 30.05.2025

SOU V K KATARE
Director
DIN 1443784
Place : Solapur
Date :30.05.2025

SD/-

SD/-

K.K. KATARE
CFO
Place : Solapur
Date : 30.05.2025

BHAGYSHREE RAWANI
Company Secretary
M.NO.A64745
Place : Solapur
Date : 30.05.2025

KATARE SPINNING MILLS LTD
Statement of Audited Profit and Loss for the year ended 31st Mar 2025

(All amounts are in Thousand)

| Particulars | | Notes | As at 31/03/2025 | As at 31/03/2024 |
|-------------|--|---------|---------------------|---------------------|
| I | Income: | | | |
| | Revenue from Operations (Gross) | 22 | 51,198 | 40,047 |
| | Other Income | 23 | 2,445 | 3,502 |
| | Total Income | | 53,642 | 43,549 |
| II | Expenses: | | | |
| | Cost of Materials Consumed | 24 | 45,912 | 29,341 |
| | Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 25 | (290) | 3,164 |
| | Employee Benefits Expense | 26 | 2,302 | 7,915 |
| | Finance Costs | 27 | 3,353 | 3,069 |
| | Other Expenses | 28 | 9,429 | 7,661 |
| | Depreciation and Amortization Expense | 1 | 13,092 | 13,005 |
| | Total Expenses | | 73,797 | 64,154 |
| III | Profit/(Loss) Before Tax | | (20,155) | (20,605) |
| IV | Tax Expense: | | | |
| | Current tax including MAT | | - | - |
| | Deferred tax | | (2,851) | (1,875) |
| | Total | | (2,851) | (1,875) |
| V | Profit (Loss) for the period | | (17,304) | (18,730) |
| VI | Other Comprehensive Income: | | | |
| (a) | Items that will not be reclassified to statement of profit or loss: | | - | - |
| (b) | Income tax relating to items that will not be reclassified to statement of profit or loss - Foreign Currency Exchange Loss | | - | - |
| (c') | Items that will not be reclassified to statement of profit or loss: | | - | - |
| (d) | Income tax relating to items that will be reclassified to statement of profit or loss | | - | - |
| | | | - | - |
| IX | Total Comprehensive Income for the period | | (17,304) | (18,730) |
| XVI. | Earnings per equity share | | | |
| (i) | Basic | Basic | (0) | (0) |
| (ii) | Diluted | Diluted | (0) | (0) |

The accompanying notes are an integral part of the financial statements
In terms of my report attached

G.M.PAWLE AND ASSOCIATES
Chartered Accountants
FRN :160253W

For and on behalf of the Board
Katare Spining Mills Ltd

SD/-

SD/-

SD/-

GANESH M PAWLE
Proprietor
ICAI Membership No :032561
Place : Solapur
Date : 30.05.2025
UDIN : 24032561BJZXL76803

| | |
|--|---|
| K T Katare Managing Director DIN 00645013 Place : Solapur Date : 30.05.2025 | SOU V K KATARE Director DIN 1443784 Place : Solapur Date :30.05.2025 |
|--|---|

SD/-

SD/-

| | |
|--|--|
| K.K. KATARE CFO Place : Solapur Date : 30.05.2025 | BHAGYSHREE RAWANI Company Secretary M.NO.A64745 Place : Solapur Date : 30.05.2025 |
|--|--|

SCHEDULE OF FIXED ASSETS FORMING PART OF BALANCE SHEET AS ON 31.03.2025

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION PROVIDED | | | NET BLOCK | | |
|--|-------------|---------------------------|-----------------------|------------------------|-----------------------|---------------------------------|----------------------------|-------------------------------------|------------|-------------|
| | 01.04.2024 | ADDITIONS DURING THE YEAR | DISPOSAL / ADJUSTMENT | TOTAL AS ON 31.03.2025 | 31.03.2024 | TOTAL DEPRECIATION FOR THE YEAR | DEPRECIATION ON SOLD ASSET | TOTAL DEPRECIATION AS ON 31.03.2025 | 31.03.2024 | 31.03.2025 |
| | | | | | | | | | | |
| | 1 | 2 | 3 | 4 (1+2-3) | 5 | 6 | 7 | 8 (5+6-7) | 9 (1-5) | 10 (4-8) |
| FACTORY LAND | 8,43,334 | - | - | 8,43,334 | - | - | - | - | 8,43,334 | 8,43,334 |
| BUILDING | 3,31,074 | - | - | 3,31,074 | 79,400 | 6,502 | - | 85,902 | 2,51,673 | 2,45,171 |
| BUILDING SOLAR PROJECT | 7,841 | - | - | 7,841 | 2,488 | 259 | - | 2,748 | 5,352 | 5,093 |
| PLANT & MACHINERY | 69,789 | - | 2,740 | 67,049 | 61,828 | - | 2,636 | 59,191 | 7,961 | 7,857 |
| PLANT & MACHINERY SOLAR PROJ | 96,219 | 1,828 | - | 98,047 | 51,288 | 6,210 | - | 57,497 | 44,931 | 40,549 |
| VEHICLES | 1,505 | - | - | 1,505 | 1,430 | - | - | 1,430 | 75 | 75 |
| OFFICE EQUIPMENTS | 503 | 11 | - | 514 | 353 | 12 | - | 366 | 150 | 149 |
| COMPUTER | 1,055 | - | - | 1,055 | 928 | 12 | - | 941 | 126 | 114 |
| FURNITURE & FIXTURE | 2,774 | - | - | 2,774 | 2,636 | - | - | 2,636 | 139 | 139 |
| OTHER ASSETS SOLAR PROJECT | 300 | - | - | 300 | 252 | 29 | - | 280 | 48 | 20 |
| OTHER ASSETS | 2,437 | 96 | - | 2,533 | 2,005 | 51 | - | 2,056 | 433 | 478 |
| OFFICE SOLAR PANEL | - | 259 | - | 259 | - | 16 | - | 16 | - | 243 |
| TOTAL :- A | 13,56,831 | 2,194 | 2,740 | 13,56,285 | 2,02,608 | 13,092 | 2,636 | 2,13,064 | 11,54,223 | 11,43,222 |
| B) I) Research & Devp. Equip. | 381 | - | - | 381 | - | - | - | 362 | 19 | 19 |
| II) Research & Devp. G Block | - | - | - | - | - | - | - | - | - | - |
| TOTAL :- B | 381 | - | - | 381 | - | - | - | 362 | 19 | 19 |
| Grand Total :- (A+B) | 13,57,212 | 2,194 | 2,740 | 13,56,666 | 2,02,608 | 13,092 | 2,636 | 2,13,425 | 11,54,242 | 11,43,241 |
| Note No : 2 Capital Work In Progress | | | | | | | | | | |
| Plant & Machinery - Solar Project PUNE | 398 | - | 398 | - | - | - | - | - | 398 | - |
| Plant & Machinery - Solar at Office | 259 | - | 259 | (0) | - | - | - | - | 259 | (0) |
| TOTAL :- C | 658 | - | 658 | (0) | - | - | - | - | 658 | (0) |
| TOTAL :- (A+B+C) | 13,57,870 | 2,194 | 3,398 | 13,56,666 | 2,02,608 | 13,092 | 2,636 | 2,13,425 | 11,54,900 | 11,43,241 |
| Previous Year | 13,58,781 | 1,974 | 2,885 | 13,57,870 | 1,91,202 | 13,005 | 1,599 | 2,02,970 | 11,67,217 | 11,54,900 |

Notes -

- 1) Depreciation on the Pland & Machinery of Spinning Factory is not provided for the current year since there has been no production of yarn since several years.
2) Depreciation on Vehicles and Furniture & Fixtures is NIL for the current financial year since the useful life of these assets is expired and carrying amounts represent salvage value.

KATARE SPINNING MILLS LTD
Notes forming part of the financial statements for the year ended Mar, 2025

NON CURRENT -
Note No : 3 Financial Assets

| | | As at 31/03/2025 Rs. | | As at 31/03/2024 Rs. | |
|----|---|-------------------------|---|-------------------------|---|
| a) | Earmarked Balances with Banks (Unpaid Dividend) | - | | - | |
| | Total | | - | | - |

Notes : 04 NON CURRENT INVESTMENTS

| | | As at 31/03/2025 Rs. | | As at 31/03/2024 Rs. | |
|---|--|-------------------------|----|-------------------------|----|
| 1 | Bank of India 900 Equity Shares of Rs. 10 each fully paid (Market Value Rs.38700/-)@43/share | 9 | | 9 | |
| 2 | Laxmi Coop Bank 1 equity share of Rs. 100 fully paid | - | | 0 | |
| 3 | Kamala Coop Bank Ltd 2 equity shares of Rs. 1000 each fully paid | 2 | | 2 | |
| 4 | Kamala Sakhar Udhyog Ltd 1 equity of Rs. 100 fully paid | 0 | | 0 | |
| | | | 11 | | 11 |

Notes : 05 LONG-TERM LOANS & ADVANCES

| | | As at 31/03/2025 Rs. | | As at 31/03/2024 Rs. | |
|---|-------------------------------|-------------------------|---|-------------------------|---|
| 1 | Advance against Capital Goods | - | | - | |
| | | | - | | - |

Notes : 06 Trade Receivable

| | | As at 31/03/2025 Rs. | | As at 31/03/2024 Rs. | |
|--|---|-------------------------|---|-------------------------|---|
| | Undisputed trade receivables- considered good | - | - | - | - |
| | Net Total | - | - | - | - |

There being no trade receivable as on 31.03.2025, ageing is not applicable.

| As at March 31, 2024 | | | | | | | | |
|----------------------|--|---------|--|-------------------|-------------|-------------|-------------------|-------|
| | Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | |
| | | | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| | (i) Undisputed Trade receivables – considered good | - | - | - | - | - | - | - |
| | (ii) Undisputed Trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| | (iii) Undisputed Trade receivables – credit impaired | - | - | - | - | - | - | - |
| | (iv) Disputed Trade receivables– considered good | - | - | - | - | - | - | - |
| | (v) Disputed Trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| | (vi) Disputed Trade receivables – credit impaired | - | - | - | - | - | - | - |
| | (vii) Expected credit loss rate | - | - | - | - | - | - | - |
| | (viii) Expected credit loss | - | - | - | - | - | - | - |
| | Total | - | - | - | - | - | - | - |

Notes : 07 Others

| | | As at 31/03/2025 Rs. | | As at 31/03/2024 Rs. | |
|--|--------------------------------------|-------------------------|--------|-------------------------|--------|
| | Unsecured- Considered Good | | | | |
| | All Business Deposits | 609 | | 575 | |
| | VAT Refundable (FY2009-10 Rs.386491) | - | | 386 | |
| | MAT Credit Entitlement | 28,134 | | 29,484 | |
| | Others | | | | |
| | Total | 28,743 | 28,743 | 30,446 | 30,446 |
| | Doubtful | - | | - | - |
| | Total | 28,743 | 28,743 | 30,446 | 30,446 |
| | Less: Doutful | - | | - | |
| | Net Total | | 28,743 | | 30,446 |

Note:

Note : 08 DEFERRED TAX ASSET/LIABILITY

Deferred tax assets for the period ended March, 31, 2025 has been provided on the estimated tax computation for the year. Major components of deferred tax assets and liabilities arising on account of timing differences are

| Sr. No. | Particulars | As at 31/03/2025 Rs. | | As at 31/03/2024 Rs. | |
|---------|---|-------------------------|---------|-------------------------|---------|
| A | Derred tax Assets | | | | |
| | Unabsorbed depreciaton & Losses | 9,293 | | 9,807 | |
| | Disallowances | - | | - | |
| | Provision for Bad & Doubtful debts | - | | - | |
| | Total | | 9,293 | | 9,807 |
| B | Deferred tax Liabilities | | | | |
| | On account of timing difference in depreciation | 11,273 | | 14,638 | |
| | Others- Accrued bonus on Keyman | - | | - | |
| | Total | | 11,273 | | 14,638 |
| C | Deferred Tax Asset/Liability | | (1,980) | | (4,831) |

Notes : 09 INVENTORIES

| | | As at 31/03/2025 Rs. | | As at 31/03/2024 Rs. | |
|----------|---|-------------------------|--------|-------------------------|--------|
| I | Inventories-(at cost except otherwise stated and as certified by Board of Director)-(Refer-Sub Group -9) | | | | |
| 1 | Raw Materials | 950 | | 950 | |
| 2 | Consumables | 1,769 | | 1,799 | |
| 3 | Work in Process | 619 | | 619 | |
| 4 | Finished Goods | 10,680 | | 10,359 | |
| 5 | Wastage & Scrap | 384 | | 384 | |
| | | | 14,401 | | 14,112 |

Notes : 10 CURRENT TRADE RECEIVABLES

| | | As at 31/03/2025 Rs. | | As at 31/03/2024 Rs. | |
|----------|--|-------------------------|--------|-------------------------|--------|
| I | Secured- Considered Good | | | | |
| 1 | Unsecured- Considered Good-(Sub Note 10) | 16,101 | | 17,039 | |
| 2 | Doudtful | | | | |
| | Total | 16,101 | | 17,039 | |
| | Less: Doudtful | - | | | |
| 3 | Bad | | | | |
| | Net Total | | 16,101 | | 17,039 |

Trade Receivables ageing schedule Current

As at March 31, 2025

| | Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | |
|--|---|---------|--|----------------------|----------------|----------------|-------------------------|---------------|
| | | | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| | (i) Undisputed Trade receivables – considered good | - | 114 | 10,791 | - | - | 5,196 | 16,101 |
| | (ii) Undisputed Trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| | (iii) Undisputed Trade receivables – credit impaired | - | - | - | - | - | - | - |
| | (iv) Disputed Trade receivables– considered good | - | - | - | - | - | - | - |
| | (v) Disputed Trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| | (vi) Disputed Trade receivables – credit impaired | - | - | - | - | - | - | - |
| | (vii) Expected credit loss rate | - | - | - | - | - | - | - |
| | (viii) Expected credit loss | - | - | - | - | - | - | - |
| | Total | - | 114 | 10,791 | - | - | 5,196 | 16,101 |

As at March 31, 2024

| | Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | |
|--|---|---------|--|----------------------|----------------|----------------|-------------------------|---------------|
| | | | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| | (i) Undisputed Trade receivables – considered good | - | 10 | 10,086 | - | 256 | 6,687 | 17,039 |
| | (ii) Undisputed Trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| | (iii) Undisputed Trade receivables – credit impaired | - | - | - | - | - | - | - |
| | (iv) Disputed Trade receivables– considered good | - | - | - | - | - | - | - |
| | (v) Disputed Trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| | (vi) Disputed Trade receivables – credit impaired | - | - | - | - | - | - | - |
| | (vii) Expected credit loss rate | - | - | - | - | - | - | - |
| | (viii) Expected credit loss | - | - | - | - | - | - | - |
| | Total | - | 10 | 10,086 | - | 256 | 6,687 | 17,039 |

Notes : 11 CASH & BANK BALANCES

| | | As at 31/03/2025 Rs. | | As at 31/03/2024 Rs. | |
|---|------------------------------------|-------------------------|------------|-------------------------|------------|
| | Cash and cash equivalents | | | | |
| 1 | Cash on hand | 7 | | 16 | |
| | Balances with banks | | | | |
| 2 | Bank of Maharashtra C/ A Tamalwadi | 2 | | 2 | |
| 3 | Bank of Maharashtra CD A/c No. 138 | 13 | | 13 | |
| 4 | FD with Kamala Bank-3767 | 732 | | 680 | |
| | Total | | 755 | | 711 |

Notes : 12 Short Term loans and advances

| | | As at 31/03/2025 Rs. | | As at 31/03/2024 Rs. | |
|---|--|-------------------------|------------|-------------------------|------------|
| a | Loans and advances to related parties | | | | |
| | Unsecured, considered good | - | | - | |
| b | Others (Unsecured, considered good) | - | | - | |
| c | EDLI in Spinning Division | 615 | | 615 | |
| | Total | | 615 | | 615 |

Notes : 13 Other Current Assets

| | | As at 31/03/2025 Rs. | | As at 31/03/2024 Rs. | |
|---|---|-------------------------|--------------|-------------------------|--------------|
| I | (Unsecured Considered Good) Advances recoverable in cash or in kind for value to be received | | | | |
| 1 | Interest Accrued | 57 | | 52 | |
| 2 | Advance Income Tax & TDS FY 23-24 | 10 | | 61 | |
| 3 | Prepaid Expenses | 107 | | 37 | |
| 4 | GST Control Account (Input Balance) | 1,307 | | 900 | |
| 5 | Advances recoverable in cash & Kind(Refer Sub Note 13) | | | | |
| | Outstanding for more than 3 years | 1,556 | | 1,786 | |
| | Outstanding for less than 1 year | 40 | | - | |
| | Total | | 3,078 | | 2,836 |

Notes : 14 SHARE CAPITAL

| | | As at 31/03/2025 Rs. | | As at 31/03/2024 Rs. | |
|---|---|-------------------------|---------------|-------------------------|---------------|
| 1 | AUTHORISED SHARE CAPITAL | | | | |
| | 6000000 Equity Shares of Rs. 10/- each | 60,000 | 60,000 | 60,000 | 60,000 |
| 2 | ISSUED, SUBSCRIBED & PAID UP SHARE | | | | |
| | 2850000 Equity Shares of Rs. 10/- each fully paid | 28,500 | 28,500 | 28,500 | 28,500 |
| | Total | | 28,500 | | 28,500 |

| | Details of Shareholders holding more than 5% shares in the company | | | | |
|---|--|--------------|--------------|--------------|--------------|
| | | No.of Shares | % holding in | No.of Shares | % holding in |
| | | | the class | | the class |
| 1 | Kishor Tipanna Katare | 611 | 0 | 585 | 0 |
| 2 | Subhash Tippanna Katare | 344 | 0 | 344 | 0 |
| 3 | Shakuntala Tulsidas Katare | 383 | 0 | 383 | 0 |

Note No :15 OTHER EQUITY

| | Particulars | As at 31/03/2025 Rs. | As at 31/03/2024 Rs. |
|--|---------------------|----------------------|----------------------|
| | Capital Reserve | 27,498 | 27,498 |
| | Revaluation Reserve | 11,03,781 | 11,04,445 |
| | General Reserve | 6,033 | 6,033 |
| | Retained Earnings | (7,311) | 9,329 |
| | Share Premium | 49 | 49 |
| | Total | 11,30,050 | 11,47,354 |

Notes : 16 LONG - TERM BORROWINGS

| | | As at 31/03/2025 Rs. | | As at 31/03/2024 Rs. | |
|---|---------------------------------|----------------------|----------|----------------------|------------|
| 1 | SCI - Other Long Term Borrowing | - | | 316 | |
| | Total | | - | | 316 |

Notes : 17 OTHER FINANCIAL LIABILITIES (TRADE PAYABLE)

| | | As at 31/03/2025 Rs. | | As at 31/03/2024 Rs. | |
|---|---|----------------------|-----------------------|----------------------|-----------------------|
| | | Less Than 3 Years | More Than Three Years | Less Than 3 Years | More Than Three Years |
| 1 | Non Current Other Financial Liabilities | | | | |
| | MSME | | | | |
| | Other | 255 | 1,627 | | 2,585 |
| | Disputed Dues-MSME | | | | |
| | Disputed Dues-Others | | | | |
| | Total | 255 | 1,627 | - | 2,585 |
| | Grand Total | | 1,882 | | 2,585 |

*Includes amounts payable to related parties (refer note 29)

17.1 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

| Disputed Dues-Others | |
|---|--|
| i) | Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year Principal amount due to micro and small enterprises Interest due on above |
| ii) | Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, |
| iii) | Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed |
| iv) | The amount of interest accrued and remaining unpaid at the end of each accounting year. |
| v) | Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are |
| Note: Dues to micro enterprises and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. | |

Notes forming part of the financial statements for the year ended Mar, 2025

b.Other equity

For the year ended 31 March 2024

| Particulars | Reserve & surplus | | | | | |
|-----------------------------|-------------------|---------------------|-----------------|-------------------|---------------|--------------------------------------|
| | Capital Reserve | Revaluation Reserve | General Reserve | Retained Earnings | Share Premium | Foreign Currency Translation Reserve |
| As at 1st April 2023 | 27,498 | 11,04,445 | 6,033 | 28,059 | 49 | - |
| Less: | | | | | | |
| Add: | | | | (18,730) | | |
| Loss for the year(Spinning) | | | - | | | |
| As at 31 Mar 2024 | 27,498 | 11,04,445 | 6,033 | 9,329 | 49 | - |
| | | | | | | 11,66,084 |
| | | | | | | (18,730) |
| | | | | | | 11,47,354 |

For the year ended 31 Mar 2025

| Particulars | Reserve & surplus | | | | | |
|--|-------------------|---------------------|-----------------|-------------------|---------------|--------------------------------------|
| | Capital Reserve | Revaluation Reserve | General Reserve | Retained Earnings | Share Premium | Foreign Currency Translation Reserve |
| As at 1st April 2024 | 27,498 | 11,04,445 | 6,033 | 9,329 | 49 | - |
| Reversal of revaluation reserve on sale of revalued assets | | (664) | | 664 | | |
| Profit for the year(Spinning) | - | - | - | (17,304) | - | - |
| As at 31st March 2025 | 27,498 | 11,03,781 | 6,033 | (7,311) | 49 | - |
| | | | | | | 12,22,140 |
| | | | | | | (17,304) |
| | | | | | | 11,30,050 |

Note No :15 OTHER EQUITY

| Particulars | As at 31/03/2025 | As at 31/03/2024 |
|---------------------|------------------|------------------|
| Capital Reserve | 27,498 | 27,498 |
| Revaluation Reserve | 11,03,781 | 11,04,445 |
| General Reserve | 6,033 | 6,033 |
| Retained Earnings | (7,311) | 9,329 |
| Share Premium | 49 | 49 |
| Total | 11,30,050 | 11,47,354 |

Trade payables aging schedule as at March 31, 2025

| | Particulars | Outstanding for following periods from due date of payment | | | | | Unbilled | Total |
|--|-----------------------------|--|------------------|-----------|-----------|-------------------|----------|-------|
| | | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | | |
| | (i) MSME | - | - | - | - | - | - | - |
| | (ii) Others | - | - | 255 | - | 1,627 | - | 1,882 |
| | (iii) Disputed dues - MSME | - | - | - | - | - | - | - |
| | (iv) Disputed dues - Others | - | - | - | - | - | - | - |
| | Total | - | - | 255 | - | 1,627 | - | 1,882 |

Trade payables aging schedule as at March 31, 2024

| | Particulars | Outstanding for following periods from due date of payment | | | | | Unbilled | Total |
|--|-----------------------------|--|------------------|-----------|-----------|-------------------|----------|-------|
| | | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | | |
| | (i) MSME | - | - | - | - | - | - | - |
| | (ii) Others | - | - | - | - | 2,585 | - | 2,585 |
| | (iii) Disputed Dues - MSME | - | - | - | - | - | - | - |
| | (iv) Disputed Dues - Others | - | - | - | - | - | - | - |
| | Total | - | - | - | - | 2,585 | - | 2,585 |

Notes :18 OTHER NON CURRENT LIABILITIES

| | | As at 31/03/2025 Rs. | | As at 31/03/2024 Rs. | |
|---|------------------|-------------------------|---|-------------------------|---|
| 1 | Gratuity Payable | - | | - | |
| | | | - | | - |

NOTE NO.:19 SHORT TERM BORROWINGS

| | | As at 31/03/2025 Rs. | | As at 31/03/2024 Rs. | |
|---|--|-------------------------|--------|-------------------------|--------|
| A | Loans Repayable on Demand - From Bankers | | | | |
| | Secured: | | | | |
| | Kamala Coop Bank OD 421 | 573 | 573 | 573 | 573 |
| B | Unsecured Loans: | | | | |
| C | Loans From Related Parties (Ref Sub Notes :19) | | | | |
| | Promotors | | | | |
| | Directors | 42,377 | | 34,487 | |
| | KMPs | - | | - | |
| | Related Parties | - | 42,377 | 587 | 35,074 |
| | Total | | 42,951 | | 35,647 |

KATARE SPINNING MILLS LIMITED

Notes : 20 TRADE AND TRADE PAYABLES

| | | As at 31/03/2025 Rs. | | As at 31/03/2024 Rs. | |
|--|----------------------|-------------------------|------------|-------------------------|------------|
| | MSME | - | - | - | - |
| | Other | - | 247 | - | 411 |
| | Disputed Dues-MSME | - | - | - | - |
| | Disputed Dues-Others | - | - | - | - |
| | Total | | 247 | | 411 |

*Includes amounts payable to related parties (refer note...28

20.1 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

| |
|---|
| - |
| i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year Principal amount due to micro and small enterprises Interest due on above |
| ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, |
| iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed |
| iv) The amount of interest accrued and remaining unpaid at the end of each accounting year. |
| v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are |
| Note: Dues to micro enterprises and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. |

Trade payables aging schedule as at March 31, 2025

| | Particulars | Outstanding for following periods from due date of payment | | | | | Unbilled | Total |
|--|-----------------------------|--|------------------|-----------|-----------|-------------------|----------|------------|
| | | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | | |
| | (i) MSME | - | - | - | - | - | - | - |
| | (ii) Others | - | 247 | - | - | - | - | 247 |
| | (iii) Disputed dues - MSME | - | - | - | - | - | - | - |
| | (iv) Disputed dues - Others | - | - | - | - | - | - | - |
| | Total | - | 247 | - | - | - | - | 247 |

Trade payables aging schedule as at March 31, 2024

| | Particulars | Outstanding for following periods from due date of payment | | | | | Unbilled | Total |
|--|-----------------------------|--|------------------|-----------|-----------|-------------------|----------|------------|
| | | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | | |
| | (i) MSME | - | - | - | - | - | - | - |
| | (ii) Others | - | 411 | - | - | - | - | 411 |
| | (iii) Disputed Dues - MSME | - | - | - | - | - | - | - |
| | (iv) Disputed Dues - Others | - | - | - | - | - | - | - |
| | Total | - | 411 | - | - | - | - | 411 |

Notes : 21 OTHER CURRENT LIABILITIES

| | | As at 31/03/2025 | | As at 31/03/2024 | |
|----|---|------------------|--------------|------------------|--------------|
| A | Revenue Received in Advance | | | | |
| I | Other Statutory Liabilities (VAT,TDS, PF etc) | 380 | 380 | 345 | 345 |
| II | Other (Ref Sub Notes :21) | | | | |
| 1 | Outstanding Expenses | 261 | | 573 | |
| 2 | Director Sitting Fees | 64 | | 32 | |
| 3 | Deposit against Godown Rent | 500 | | - | |
| 4 | Bonus Payable | 130 | 956 | 76 | 681 |
| | Total | | 1,336 | | 1,025 |

KATARE SPINNING MILLS LIMITED
Notes forming part of the financial statements for the year ended Mar, 2025

Note 22 : Revenue from operations

| Sr. No. | Particulars | | For the period ended 31st | For the year ended 31st March 2024 |
|---------|--|-----|---------------------------|------------------------------------|
| (a) | Sale of products | --- | 46,001 | 33,629 |
| (b) | Sale of services | --- | - | - |
| (c) | Other operating revenues | --- | - | 110 |
| (d) | Solar Power Generation (capitively consumed) | --- | 5,197 | 6,307 |
| | Total Revenue from operations :- | | 51,198 | 40,047 |

Note:

| | | | | |
|-------|--|-----|----------------------------|--------------------------------|
| (i) | Sale of products comprises : <u>Manufactured goods</u> Cotton Yarn Less Return Goods <u>Traded goods</u> Cotton Yarn Total - Sale of products :- | --- | - - 46,001 46,001 | 3,525 - 30,104 33,629 |
| (ii) | Sale of services comprises Hank yarn receipt Total - Sale of services :- | --- | - - | - - |
| (iii) | Other operating revenues comprise: Carbon Credit Sales Total - Other operating revenues :- | --- | - - | 110 110 |

Note 23 : Other income

| | | | | |
|-----|---|-----|--------------|--------------|
| (a) | Interest income (Refer Note (i) below) | --- | 101 | 95 |
| (b) | Dividend Income from other long term investments | --- | 1 | 0 |
| (c) | Rent received | --- | 284 | - |
| (d) | Other non-operating income (Refer Note (ii) below) | --- | 2,059 | 3,406 |
| | Total :- | | 2,445 | 3,502 |

Note:

| | | | | |
|------|---|-----|--|---|
| (i) | Interest income comprises: Interest from banks on deposits: Other interest Interest on MSEB deposit Total - Interest income :- | --- | 64 37 101 | 58 37 95 |
| (ii) | Other non-operating income comprises: Excess Bonus Provision Reversal Profit on Sale of Assets Interest on IT refund Round Off Old Credit Balances w/o GST Reconciliation Adjustment Compensation Received on Cancellation of Pune Solar Project Discount Received Total - Other non-operating income :- | --- | 1 366 3 - 1,640 3 44 4 2,059 | 72 917 6 (0) 2,340 71 - - 3,406 |

KATARE SPINNING MILLS LTD

Note 24.a Cost of materials consumed

| | Particulars | | For the period ended 31st | For the year ended 31st March 2024 |
|----|------------------------------------|-----|---------------------------|------------------------------------|
| a. | Raw material consumed | | | |
| | Opening stock | --- | 950 | 950 |
| | Add: Purchases of raw material | --- | - | - |
| | Subtotal | | 950 | 950 |
| | Sale/return of Raw material | | - | - |
| | Less: Closing stock | --- | 950 | 950 |
| | Total cost of material consumed :- | | (0) | - |
| b. | Purchase of traded goods | | | |
| | Cotton Yarn | --- | 45,912 | 29,341 |
| | Total :- | | 45,912 | 29,341 |
| | Total (a+b) :- | | 45,912 | 29,341 |

Note 25. Changes in inventories of finished goods, work-in-progress and stock-in-trade

| | | | | |
|--|--|-----|--------|---------|
| | <u>Inventories at the end of the year:</u> | | | |
| | Finished goods | --- | 10,680 | 10,359 |
| | Work-in-progress | --- | 619 | 619 |
| | Wastage & scrap | --- | 384 | 384 |
| | Consumables | --- | 1,769 | 1,799 |
| | | | 13,451 | 13,161 |
| | <u>Inventories at the beginning of the year:</u> | | | |
| | Finished goods | --- | 10,359 | 13,523 |
| | Work-in-progress | --- | 619 | 619 |
| | Wastage & scrap | --- | 384 | 384 |
| | Consumables | --- | 1,799 | 1,799 |
| | | | 13,161 | 16,326 |
| | Net (increase) / decrease :- | | 290 | (3,164) |

Note 26 : Employee benefits expense

| | | | | |
|--|--|-----|-------|-------|
| | Salaries and wages | --- | 2,225 | 2,233 |
| | Contributions to provident and other funds | --- | - | - |
| | Group Gratuity Paid | | 50 | 5,650 |
| | Staff welfare expenses | --- | 27 | 32 |
| | Total :- | | 2,302 | 7,915 |

Note 27 : Finance costs

| | | | | |
|--|---------------------------------------|-----|-------|-------|
| | (a) Interest expense on: | | | |
| | (i) Borrowings | | | |
| | Bank interest - FDOD with Kamala Bank | --- | 52 | 50 |
| | Interest Paid To Other | | 3,301 | 3,019 |
| | Interest Paid on Delayed Payments | | - | - |
| | Total :- | | 3,353 | 3,069 |

KATARE SPINNING MILLS LTD

Note 28 : Other expenses

| | Particulars | | For the period ended 31st | For the year ended 31st March 2024 |
|--|---|-----|---------------------------|------------------------------------|
| | Consumption of stores and spare parts | --- | 195 | 128 |
| | Power and fuel | --- | 4,520 | 3,854 |
| | Rent | --- | 84 | 84 |
| | Repairs and maintenance | --- | 240 | 211 |
| | Insurance | --- | 393 | 442 |
| | Rates and taxes | --- | 51 | 174 |
| | Travelling and conveyance | --- | 40 | 60 |
| | Freight and forwarding | --- | 6 | 2 |
| | Printing and Stationery | --- | 13 | 14 |
| | Legal and professional | --- | 517 | 640 |
| | Payments to auditors | | | |
| | - As Auditors - Statutory Audit | --- | 45 | 45 |
| | Bank charges | --- | 1 | 2 |
| | Directors sitting fees | --- | 32 | 32 |
| | Advertisement | --- | 48 | 38 |
| | Fine & Penalties (BSE) | --- | 613 | - |
| | Miscellaneous expenses | --- | 133 | 133 |
| | ROC filling Fee | --- | 18 | 13 |
| | Stock Exchange Fee | --- | 326 | 335 |
| | Postage & Telephone | --- | 9 | 27 |
| | Commission | --- | - | 20 |
| | Web Site Installation Charges | --- | 6 | 30 |
| | Membership Fees | --- | 62 | 14 |
| | Old Debit O/s Written off | --- | 616 | 284 |
| | Electricity Rate Difference receivable | --- | - | 404 |
| | GST Expenses(DRC-03) | --- | 98 | - |
| | Prior Period Expenses (Share Transfer Fees) | --- | 12 | - |
| | MAT credit Written off | --- | 1,350 | 675 |
| | Round Off | | 0 | - |
| | Total :- | | 9,429 | 7,661 |

Note No: 29**Notes to Standalone Financial Statement as on 31.03.2025****1. Background:**

Katare Spinning Mills Limited a Public Limited company incorporated in India under the provisions of the Companies Act 2013. The Company's registered office is located at 14/30 Ground Floor, B Wing, Katare Complex, Gandhi Nahar, BL. No.10, Akkalkot Road, Solapur, Maharashtra - 413006. The company is engaged in the manufacture of cotton yarn, solar power and is also engaged in the hospitality business.

2. Material Accounting Policies**2.1 System of Accounting:****i). Statement of compliance & Basis of preparation**

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, notified under section 133 of the Companies Act, 2013, ("Act") and other relevant provisions of the Act.

The financial statements have been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires change in accounting policy hitherto in use.

The financial statements were approved for issue by the Board of Directors on 30th May, 2025.

ii) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in Indian rupees have been rounded-off to two decimal places.

iii) Basis of measurement

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

The areas involving significant judgements and estimates are estimation of useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment and intangible assets, provision for employee benefits and other provisions, contingent liabilities and recoverability of deferred tax assets.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 1 – determining an asset's expected useful life and the expected residual value at the end of its life;
- Note 1 – Impairment of fixed assets;
- Note 8 - recognition of tax expense including deferred tax

iv)Current and non-current classification:

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets

An asset is classified as a current when:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is expected to be realized within twelve months from the reporting date;
- it is held primarily for the purposes of being traded; or
- is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non current

Liabilities

A liability is classified as a current when:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is due to be settled within twelve months from the reporting date;
- it is held primarily for the purposes of being traded;
- Deferred tax assets/liabilities are classified as non-current.
- the Company does not have an unconditional right to defer settlement of liability for at least twelve months from the reporting date.

All other liabilities are classified as non-current.

Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and realization in cash or cash equivalents. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.2 Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chairman and Managing Director has been identified as being the Chief Operating Decision Maker.

The segment results are as under:

| Segment Revenue | Spinning Division | | Solar Power Division | | Total | |
|--|-------------------|-----------|----------------------|--------|-----------|-----------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Sales Revenue | 46,001 | 33,740 | 5,197 | 6,307 | 51,198 | 40,047 |
| Segment Results | (15,394) | (11,563) | (1,408) | (521) | (16,802) | (12,084) |
| Unallocated Corporate Expenses | - | - | - | - | - | - |
| Unallocated Corporate Income | - | - | - | - | - | - |
| Operating Profit | (15,394) | (11,563) | (1,408) | (521) | (16,802) | (12,084) |
| Interest Expenses | 3,353 | 1,341 | - | - | 3,353 | 1,341 |
| Net Operating Income | (18,747) | (12,904) | (1,408) | (521) | (20,155) | (13,425) |
| Profit / Loss form Ordinary Activities | (18,747) | (12,904) | (1,408) | (521) | (20,155) | (13,425) |
| Extra Ordinary Item | - | - | - | - | - | - |
| Net Profit / Loss | (18,747) | (12,904) | (1,408) | (521) | (20,155) | (13,425) |
| OTHER INFORMATION | | | | | - | - |
| Segment Assets | 11,61,283 | 11,60,251 | 45,662 | 60,417 | 12,06,945 | 12,20,669 |
| Segment Liabilities | 48,396 | 44,815 | - | - | 48,396 | 44,815 |
| Net Depreciation | 6,854 | 7,624 | 6,238 | 6,125 | 13,092 | 13,749 |

Power generated in solar division 11,25,441 units consumed captive for spinning division, valued at Rs.51.97 lakhs.

2.3 Revenue recognition:

i) Revenue from Sale of Goods

Revenue from Sale of Goods is recognized when all the significant risk and rewards of ownership have been transferred to the buyer, revenue can be measured reliably, the costs incurred can be measured reliably, it is probable that the economic benefits associated to the transaction will flow to the entity and there is no continuing management involvement with the goods. Transfer of risks and rewards vary depending on the individual terms of contract of sale. Revenue from sale of goods is stated inclusive of excise duty when applicable and net of returns, trade allowances, rebates, sales tax, GST and amounts collected on behalf of third parties.

In the case of solar power generation unit, it is mainly used for captive consumption. Units generated are treated as income and portion of the units used for captive consumption is booked as expenditure being used at the prevailing rates as if purchased from MSEDCCL.

Dividends from investment are recognized as income of the year in which the same are declared by the investee company

ii) Interest Incomes:

There were no financial instruments requiring treatment specified under Ind AS. Interest income is included in Other Income in the Statement of Profit and Loss.

2.4 Income Taxes:

- i. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.
- ii. The current income tax charge is not calculated as the company is in operating loss.
- iii. Income Tax is computed after adjustments of Other Comprehensive income
- iv. Deferred income tax is provided in full, using the liability method, on temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets are realized, or the deferred income tax liability is settled
- v. Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

- vi. Current and deferred tax is recognized in profit or loss. Except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively
- vii. Minimum Alternate Tax paid in accordance with tax laws, which give 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. Out of them Rs.13,50,000/- lapsed relating FY 2009-10 and hence written off to the profit and loss statement in current financial year.

2.5 Impairment of Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss will be recognized for the amounts by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Company of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.6 Cash and cash equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowing in current liabilities in the balance sheet.

2.7 Trade receivables:

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

2.8 Inventories:

- a. 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.
- b. Stock in process/plant is valued at cost.
- c. 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.

2.9 Investments and other financial assets.

- i. Investments held by the company are not of the nature requiring valuation as measured by Ind AS and accordingly are stated at cost of acquisition.
- ii. Impairment of financial assets

For trade receivable only, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

2.10 Offsetting financial instruments

There were no such Financial instruments requiring off-set as prescribed under Ind AS.

2.11 Property, Plant and Equipment

Property, Plant and Equipment Leasehold land is carried at historical costs. All other items of property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

Cost includes cost of acquisition, installation or construction, other direct expenses incurred to bring the assets to its working condition and finance costs incurred up to the date the asset is ready for its intended use and excludes Input Tax Credit under GST eligible for credit / setoff.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the same are depreciated separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest. All identifiable Revenue expenses including interest incurred in respect of various projects / expansion, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work-in-Progress. Capital expenditure on tangible assets for research and development is classified under property, plant and equipment and is depreciated on the same basis as other property, plant and equipment.

Property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Losses arising in the case of the retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

Depreciation for Company

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Property, plant and equipment are provided on written down value method, over the useful life of the assets, as specified in Schedule II to the Companies Act, 2013. Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of the land is beyond the life of the building. In other cases, buildings constructed on leasehold lands are amortized over the primary lease period of the lands. The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

However, no depreciation is intended to be claimed for the current year on Plant & Machinery of Spinning Factory as there has been no production. Accordingly, depreciation on Plant & Machinery of Spinning Factory is not provided for.

Depreciation on Vehicles and Furniture & Fixtures is NIL for the current financial year since the useful life of these assets is expired and carrying amounts represent salvage value.

2.12 Trade and Other Payables:

These amounts represent liabilities for goods provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.13 Borrowings:

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In the case the fee is deferred until the draw down occurs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.14 Provisions:

Provisions are measured at the present value of the management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expenses. Provision for litigation related obligation represents liabilities that are expected to materialize in respect of matters in applicable cases.

2.15 Employee 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. Accordingly, a payment of Rs.49,890/- has been made on actual payment basis to the factory workers during the current year.

2.16 Dividend: During the year, the company has not declared the dividend on its shares.

2.17 Contribution to Equity:

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.18 Earnings per share:

1. Basic earnings per share is calculated by dividing:
 - The profit attributable to owners of the company
 - By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.
2. Diluted earnings per share
 - Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
 - The after 'income Tax' effect of interest and other financing costs associated with dilutive potential equity shares, and
 - The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

2.19 Research and Development:

Revenue Expenditure on research and development is expensed in the period in which it is incurred. Capital expenditure on research and development is shown as additional fixed assets.

2.20 Information pertaining to Profit and Loss Account :

- There were no foreign currency transactions.

2.21 Related Party Transaction (As on 31.03.2025)

Rs. In Thousand

| Name of the party | Relationship | Nature of transaction | Transaction Value | Dr /Cr Balance | Balance as on date of balance Sheet | Amount written off |
|--|--|--|-------------------|----------------|-------------------------------------|--------------------|
| Kishore T Katare (Unsecured Loan) | Managing Director | Opening Balance (Cr) | 34,487 | | | |
| | | Receipts in Bank | 4,875 | | | |
| | | Sums paid on behalf of the Company by director | 440 | | | |
| | | Interest Payable Cr | 2,971 | Cr | 42,377 | Nil |
| | | Payments made | 395 | | | |
| Kamal K Katare | Son of Managing Director | Opening Balance (Cr) | 60 | | | |
| | | Salary Credited | 120 | Cr | 60 | Nil |
| | | Amount Paid | 120 | | | |
| Kamal Marketing Pvt Ltd (Trade) | Associate Enterprise | Opening Balance (Cr) | 0 | | | |
| | | Purchase of yarn (Including GST) | 48,207 | | | |
| | | Sales of yarn (Including GST) | 48,301 | Cr | 0 | Nil |
| | | Receipts in Bank | 94 | | | |
| | | Payments made | 0 | | | |
| Katare Cotton Waste Spg Mills | Associate Enterprise | Opening Balance (Dr) | 687 | | | |
| | | Payment made on KSML's behalf | 587 | Dr | | |
| | | Receipts in Bank | 1,210 | | | Nil |
| | | Payments made | 50 | | 4,940 | |
| Kamala Co Op Bank | Enterprise where KMP has Significance Influence/ Control | OD Facility with Bank | 573 | Cr | 573 | Nil |
| | | FD with Bank | 732 | Dr | 732 | Nil |
| | | Shares | 2 | Dr | 2 | Nil |
| Sou Vidyavati K Katare | Director | Director Sitting Fees | 8 | Cr | 16 | NIL |
| Rakesh V Katare(HotelDiv) | Son of Dcsed Director | Amount paid (Opening Balance Dr) | 85 | Dr | 85 | Nil |
| Kamala Sakhar Udyog Ltd | Associate Enterprise | Shares | 0 | Dr | 0 | Nil |

2.22 Contingent Liability and Commitments:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate possible;
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

2.23 Critical estimates and Judgments:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of item which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statement.

The areas involving critical estimates or judgments are:

- I. Estimation of current expense and payable
- II. Estimation of defined benefit obligations
- III. Allowance for uncollected accounts receivable and advances-Trade receivable do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irreducible amounts. Individual trade receivables are written off when management deems them not to be collectible.

Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

2.24 Corporate Social Responsibility (CSR) Expenditure

In view of continuous losses, the Company has not incurred any expenditure on this aspect during the year under audit.

2.25 Risk Exposure

Through its defined benefit plans, the company is exposed to a number of risk, the most significant of which are detailed below;

- Interest rate risk: The plan exposes the Company to the risk of change in interest rate of the borrowings
- Salary Escalation Risk: The present value of the defined benefit is not calculated with the assumption of salary increase rate of plan participants in future.
- Demographic Risk: The Company has to use certain mortality and attrition in assumption in valuation of the liability. The company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
- Asset Liability Mismatching or Market Risk: MarketRisk is the risk that changes in market prices such as the prices of cotton and yarn largely depend upon the changes in the market prices.
- Financial Risk Management Objectives and Policies: The Company's activities expose it to a variety of financial risks, market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's financial liabilities comprise of borrowings, trade payable and other liabilities to manage its operation and financial assets includes trade receivables and other receivables etc. that arise from its operations
- Credit Risk:Credit risk refers to the risk of default on its obligation by the customer / counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is carrying value of respective financial assets. Trade receivables and unbilled revenue are typically unsecuredandarederived from revenue earned from customers. Credit risk has always been managed by each business segment through credit approvals establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in normal course of business. On account of adoption of Ind AS 109 the Company uses expected credit loss model to assess the impairment loss or gain.
- Liquidity Risk: The Company's principle sources of liquidity are cash and cash equivalents, current investments and the cash flow that is generated from operations. Presently the Company suffers from inadequacy of working capital to meet its current requirements. Accordingly, liquidity risk is perceived but management is trying to find out the end and means to augment the same. The Company is closely monitoring its liquidity position to maintain adequate source of funding.

2.26 Additional Note:

- Previous period's figures have been regrouped/ rearranged wherever necessary in order to confirm to the current period's classification.

for and on behalf of the Board of Directors Chartered Accountants,

G M PAWLE AND ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 160253W
SD/-

Katare Spinning Mills Ltd.

SD/-

GANESH M PAWLE
Proprietor
ICAI Membership No :032561
Solapur,
UDIN: 25032561BMHXSS4032

Director
DIN 00645013
Kishore T Katare

Note : 30 Earnings Per Share (EPS)

| Particulars | 31.03.2025 | 31.03.2024 |
|---|------------|------------|
| a. Net Profit/Loss as per profit and loss a/c | -17304110 | -18730142 |
| b. Weighted average no. of equity shares | 2850000 | 2850000 |
| c. Earnings/(Loss) per share | -6.07 | -6.57 |

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

| Note 31: Deferred Taxation: | | | |
|---|-----------------------|-------------------------|--------------------------|
| (Rs. In Thousand) | | | |
| Particulars | Balance on 31.03.2024 | Arising during the year | Balance as on 31.03.2025 |
| A. Deferred Taxation : | | | |
| - on account of timing difference in depreciation | 14638.00 | -3365.00 | 11273.00 |
| - Others | 0.00 | 0.00 | |
| Sub total A: | 14638.00 | -3365.00 | 11273.00 |
| B. Deferred Tax Assets | | | |
| - Unabsorbed depreciation and losses | 9807.00 | -514.00 | 9293.00 |
| - Disallowanes | 0.00 | 0.00 | 0.00 |
| - Provision for Bad & Doubtful Debts | 0.00 | 0.00 | 0.00 |
| Sub Total B : | 9807.00 | -514.00 | 9293.00 |
| C. Deffered Tax Assets/ Liab (B-A) | -4831.00 | 2851.00 | -1980.00 |

Company has made provision for deferred tax liability as above.

Note 32 : Previous year's figurs have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.

Note 33 : Balance 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 on the Board of Directors

G M PAWLE AND ASSOCIATED
CHARTERED ACCOUNTANTS
FRN : 160253W

SD/-
GANESH M PAWLE
Proprietor
ICAI Membership No :032561
Place:Solapur
Date :30th May 2025
UDIN : 24032561BJZXLT6803

For and on behalf of the Board
Katare Spining Mills Ltd

SD/-
K T Katare
Managing Director
DIN 00645013
Place:Solapur
Date :30th May 2025

SD/-
K K Katare
CFO
SOLAPUR
Date :30th May 2025

SD/-
SOU V K KATARE
Director
DIN 1443784
Place:Solapur
Date :30th May 2025

SD/-
BHAGYASHREE RAWANI
Company Secretary
SOLAPUR
Date :30th May 2025

KATARE SPINNING MILLS LTD
Audited Cash Flow Statement for the period ended 31.03.2025

In Thousand

| Sr . No. | Particulars | As at 31.03.2025 | As at 31.03.2024 |
|-------------|--|------------------|------------------|
| A | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | Profit before tax | -20,155 | -20,605 |
| | Non cash adjustment to reconciled profit before tax to net cash flows : | | |
| | Depreciation | 13,092 | 13,005 |
| | Profit on Sale of fixed Assets | -366 | -917 |
| | Interest Expenditure | 3,353 | 3,069 |
| | Interest ,Rent & Other Non Operating Income | -2,078 | -2,585 |
| | Operating profit before working capital changes | -6,155 | -8,033 |
| | Movements in working capital | | |
| | Increase/(Decrease) in trade payables | -703 | -2,699 |
| | Increase/(Decrease) in trade payables (current) | -164 | -206 |
| | Increase/(Decrease) in other current liabilities | 311 | 211 |
| | Increase/(Decrease) in other long term liabilities | -316 | 0 |
| | Decrease/(Increase) in trade receivables | 0 | 467 |
| | Decrease/(Increase) in inventories | -289 | 3,164 |
| | Decrease/(Increase) in long term loans & advances given | 0 | 0 |
| | Decrease/(Increase) in short term loans & advances given | 0 | 0 |
| | Decrease/(Increase) in other current assets | -244 | 149 |
| | Decrease/(Increase) in other non-current assets | 1,703 | 678 |
| | Decrease/(Increase) in other financial assets | 0 | 0 |
| | Decrease/(Increase) in trade receivables (current) | 938 | 4,222 |
| | Cash generated from / (used in) operations | -4,919 | -2,046 |
| | Direct taxes paid (net of refunds) | 0 | 0 |
| | Net cash flow from / (used in) operating activities (A) | -4,919 | -2,046 |
| B | CASH FLOW FROM INVESTING ACTIVITIES | | |
| | Purchases of Fixed Assets, including intangible assets, CWIP & capital advances | -1,935 | -772 |
| | Proceeds from sale of Fixed Assets | 870 | 1,001 |
| | Increase/(Decrease) in trade payables Fixed Assets / Mylan | 0 | 0 |
| | Purchase of current investments | 0 | 0 |
| | Investment in bank deposits (having original maturity of more than three months) | 0 | 0 |
| | Interest ,Rent & Other Non Operating Income | 2,078 | 2,585 |
| | Net Cash from / (used in) Investing Activities (B) | 1,013 | 2,814 |
| C | CASH FLOWS FROM FINANCING ACTIVITIES | | |
| | Proceeds from issuance of share capital & preference share capital | 0 | 0 |
| | Proceeds from long term borrowings | 0 | 0 |
| | Repayment of long term borrowing | 0 | 0 |
| | Proceeds from short term borrowings | 7,304 | 0 |
| | Interest Paid | -3,353 | 2,387 |
| | Dividend paid on equity shares | 0 | -3,069 |
| | Tax on equity dividend paid | 0 | 0 |
| | Net cash flow from / (used in) Financing Activiteis (C) | 3,950 | -682 |
| | Net Increase/(Decrease) in cash & cash equivalents (A)+(B)+(C) | 45 | 85 |
| | Cash & Cash equivalents at the beginning of the period | 711 | 625 |
| | Cash & Cash equivalents at the end of the period | 755 | 711 |

G.M.PAWLE AND ASSOCIATES
Chartered Accountants
FRN :160253W

SD/-

GANESH M PAWLE
Proprietor
ICAI Membership No :032561
Place : Solapur
Date : 30.05.2025
UDIN : 24032561BJZXL6803

For and on behalf of the Board
Katare Spining Mills Ltd

SD/-

K T Katare
Managing Director
DIN 00645013
Place : Solapur
Date :
SOU V K KATARE
Director
DIN 1443784
Place : Solapur
Date :30.05.2025

SD/-

K.K. KATARE
CFO
Place : Solapur
Date :
BHAGYSHREE RAWANI
Company Secretary
M.No.A64745
Place : Solapur
Date : 30.05.2025

KATARE SPINNING MILLS LIMITED

Registered Office: 14/30 Ground Floor, B Wing, Katare Complex,
Gandhinagar, Bl. No. 10 Solapur MH- 413006.

Tel- 02172376555 Email- katarespinningmills@gmail.com

www.katarespinningmillslimited.com

CIN: L17119PN1980PLC022962

45TH ANNUAL GENERAL MEETING – MONDAY, 29TH SEPTEMBER, 2025

ATTENDANCE SLIP

| | |
|--|--|
| Registered Folio No. / | |
| DP ID & Client ID | |
| Name and address of the Member(s) | |
| Joint Holder 1 | |
| Joint Holder 2 | |
| No. of Shares | |

I / We record my / our presence at the ‘FORTY FIFTH ANNUAL GENERAL MEETING’ of the Company held on Monday, 29th September 2025, at 11.00 A.M., at 14/30 Ground Floor, B Wing, Katare Complex, Gandhinagar, Bl. No. 10 Solapur MH- 413006.

Member’s / Proxy’s name in Block Letters Member’s / Proxy’s Signature

KATARE SPINNING MILLS LIMITED

Registered Office: 14/30 Ground Floor, B Wing, Katare Complex,
Gandhinagar, Bl. No. 10 Solapur MH- 413006.

Tel- 02172376555 Email- katarespinningmills@gmail.com

www.katarespinningmillslimited.com

CIN: L17119PN1980PLC022962

45TH ANNUAL GENERAL MEETING – MONDAY, 29TH SEPTEMBER, 2025

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

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 Forty Fifth Annual General Meeting of the
Company, to be held on the Monday, 29th day of September, 2025 at 11.00 A.M. at
14/30 Ground Floor, B Wing, Katare Complex, Gandhinagar, Bl. No. 10 Solapur
MH- 413006 and at any adjournment thereof in respect of such resolution as are
indicated below:

| Description | For* | Against* |
|--|------|----------|
| 1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2025 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. | | |
| 3. To appoint M/s. Chetan Kumbhojkar as Secretarial Auditors of the Company | | |

Affix
Revenue
Stamp

Signature of shareholder

Signed this _____ day of _____ 2025

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 LIMITED

Registered Office: 14/30 Ground Floor, B Wing, Katare Complex,
Gandhinagar, Bl. No. 10 Solapur MH- 413006.

Tel- 02172376555 Email- katarespinningmills@gmail.com

www.katarespinningmillslimited.com

CIN: L17119PN1980PLC022962

45TH ANNUAL GENERAL MEETING – MONDAY, 29TH SEPTEMBER, 2025**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/Special resolution enumerated below by recording my/our assent or dissent to the said resolutions stated in the Notice of 45th Annual General Meeting (AGM) by placing the **tick (√)** mark at the resolution below:

| Description | For* | Against* |
|--|------|----------|
| 1. To receive, consider and adopt the Audited Balance Sheet as at 31 st March, 2025 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. | | |
| 3. To appoint M/s. Chetan Kumbhojkar as Secretarial Auditors of the Company | | |

Place: _____

Date: _____

(Signature of the shareholder)

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
 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 In-time 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.
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Book-Post

To,



from :

Katare Spinning Mills Ltd.

14/30, Raviwar Peth, 2nd Wing, Ground Floor,
Gandhi Nagar, Akkalkot Road, Solapur - 413 005.