



## KATARE SPINNING MILLS LIMITED

"KATARE COMPLEX", 14/30, RAVIWAR PETH,  
2<sup>nd</sup> 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 No. KSM- /2021-22

Date: 09<sup>th</sup> September, 2021

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

**BSE Scrip Code: 502933**

**Subject: Approval for Withdrawal of Corporate Insolvency Resolution Process (CIRP) of KATARE SPINNING MILLS LIMITED in the 16<sup>th</sup> CoC meeting held on 09<sup>th</sup> September, 2021**

Dear Sir/Madam,

In the 16<sup>th</sup> meeting of the Committee of Creditors of Katare Spinning Mills Limited- Corporate Debtor (CD) held on 9<sup>th</sup> September, 2021, Bank of India, the applicant has submitted the form FA for withdrawal of CIRP proceedings initiated by it, COC has approved the same unanimously and instructed Resolution Professional to make necessary application to adjudicating authority on behalf of the applicant, as per the provisions of section 12 A of Insolvency & Bankruptcy Code, 2016 and the regulations framed thereunder (regulation 30 A). RP has already initiated the process for making necessary application to Hon'ble NCLT, Mumbai, (adjudicating Authority).

Kindly take the above on record.

Thanking you,  
Yours faithfully,

**FOR KATARE SPINNING MILLS LIMITED**

**VITHAL DAHAKE**  
Resolution Professional  
Reg. IBBI/IPA-003/IP-N-000117/  
2017-18/11296

**V. M. Dahake**  
Insolvency Professional  
IBBI/IPA-003/IP-N000117  
/2017-2018/11296 dated 13-12-17

(KATARE SPINNING MILLS LIMITED is under Corporate Insolvency Resolution Process as per the provisions of Insolvency and Bankruptcy Code, 2016. Its affairs, business and assets are being managed by Resolution Professional, Mr. Vithal Madhukar Dahake, appointed by NCLT, Mumbai bench by order dated July 17, 2020.)

**FORM FA**

**APPLICATION FOR WITHDRAWAL OF CORPORATE INSOLVENCY  
RESOLUTION PROCESS**

(Under Regulation 30 A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations 2016)

Dated 9th September, 2021

To,

The National Company Law Tribunal

Mumbai Bench (Court II)

(Through Resolution Professional Mr. Vithal M. Dahake)

**Subject: Withdrawal of Application admitted for Corporate Insolvency  
Resolution Process (CIRP) of Katare Spinning Mills Limited- CIN  
L17119PN1980PLC022962 (Corporate Debtor).**

1. We, Bank of India had filed an application bearing no. CP 3460/IBC/NCLT/MB/MAH/2018 on 30-08-2018 before the Adjudicating Authority under Section 7 of the Insolvency and Bankruptcy Code, 2016. The said application was admitted by the Adjudicating Authority on 17-07-2020.

2. We hereby withdraw the aforesaid application bearing no. CP 3460/IBC/NCLT/MB/MAH/ 2018 filed by us before the Adjudicating Authority under Section 7 of the Insolvency and Bankruptcy Code, 2016, for following reasons:

A) CD is a medium scale unit. Bank has since received the agreed One Time Settlement (OTS) amount from the personal guarantor Mr. Kishore T Katare, Managing Director of the suspended Board of Directors of the CD. Copy of the OTS letter issued by the applicant and duly accepted by Mr. Kishore Katare is enclosed as "**Annexure A**". Applicant is the sole CoC member



Classification: Internal

B) Purpose of CIRP is, interalia, maximization of value of assets which will be best achieved in case CD revives on its own, which is achieved by the OTS granted as CD would be restored to its previous status.

C) Withdrawal would be in the best interest of all the stakeholders and would result in immediate employment generation.

3. We have paid all the CIRP expenses till 31<sup>st</sup> August, 2021, except an amount of Rs. 48000/- only towards out of pocket expenses of RP. Expenses from September 1, 2021 till date of filing of application would be just Rs. 2- Rs. 2.50 lakh. We have already earmarked an amount of Rs. 20.0 lakh (Rs. Twenty Lakh only) towards future CIRP expenses, if required. We are a nationalized bank and guarantee to pay all the CIRP expenses till date of approval of this withdrawal application u/S 12 A of the Insolvency & Bankruptcy Code (IBC 2016). Hence requirement of Bank Guarantee as per sub-regulation 2 of regulation 30 A may please be treated as complied with / waived.

4. We request you to kindly permit us to withdraw the application and discontinue the CIRP proceedings.



(Mr. Birendra Kumar Yadav)  
Chief Manager  
Date: 9<sup>th</sup> September, 2021  
Place: Solapur  
Branch Office at: N. G. Abdulpurkar Complex,  
Nila Nagar, Samrat Chowk, Solapur – 413002



Recd.  
6/9/21

बैंक ऑफ़ इंडिया  
Bank of India **BOI** ★

Solapur (Main) Branch  
Samrat Chowk, Solapur Ph:0217-2323512  
Email: [Solapur.solapur@bankofindia.co.in](mailto:Solapur.solapur@bankofindia.co.in)

Ref No. BOI/SOL/BY/OTS/2021-22/01

Dated: 06-09-2021

**WITHOUT PREJUDICE**

**By Hand/ Email**

To,  
Mr. Kishore Tipanna Katare  
(Guarantor to M/s Katare Spinning Mills Ltd.)  
"Katare Complex" 14/30, Raviwar Peth,  
2<sup>nd</sup> Wing Ground Floor, Gandhi Nagar,  
Akkalkot Raod, Solapur-413005

**BOI ONE TIME SETTLEMENT 2021 (BOI OTS 2021)**  
**Approval of your application dated 25-08-2021 for OTS**  
**In NPA account M/S Katare Spinning Mills Ltd.**

Dear Sir,

We refer to your letter no. nil dated 25-08-2021 for settlement of dues of M/S Katare Spinning Mills Ltd. under the captioned scheme. We are pleased to advise that your application under the captioned scheme has been accepted by the competent authority with the terms as mentioned below.

- i. One time settlement (OTS) amount will be Rupees Eleven crore and Seven lakhs only.
- ii. 15 % of the OTS amount will have to be deposited by you as upfront money within thirty days from the date of conveying approval of OTS.
- iii. The balance OTS amount is to be paid, without interest within 90 days from the date of acceptance of OTS. Payment, beyond that, simple interest will be charged from the date of acceptance of OTS on reducing balance. In case no upfront, apart from 5% initial application money, is deposited, interest will be charged @10% Simple on remaining amount from the date of acceptance of OTS.
- iv. Repayment period of OTS is Six months from the date of acceptance.

The Guarantor has to pay all the Existing and Future charges - viz. Security, CIRP Expenses including fees of IRP and RP, Court fee incurred (DRT+NCLT), Advocates' Fees (DRT+ High Court+ NCLT+ NCLAT),



Valuation, Paper Publications, (SARFAESI + CIRP+ EOI) and all other ancillary expenses not mentioned above along with Miscellaneous expenses to be paid by the Guarantor within seven days of the communication of the OTS offer.

- vi. Statutory charges like Sales Tax, Encumbrances of Bombay Stock Exchange to be paid by the Guarantor. The Bank and its employees will have no responsibility regarding the same.
- vii. The Guarantor has to invariably submit PDCs at the time of acceptance of the proposed OTS.
- viii. Consent terms with default clause will be filed before Presiding Officer of DRT / Court for obtaining Consent Decree.
- ix. Upon full payment of OTS amount, Security/ies will be released and No dues Certificate will be issued with narration "**Account closed under compromise settlement**" and Borrower/Company/ Firm name will continue to appear in the records of credit information companies viz. CIBIL accordingly.
- x. Stamped undertaking to be furnished against the future claims, statutory dues against the Company/ Firm/ by You that, Bank will not be liable for such dues.
- xi. Any legal dispute/other dues from other party/ies would be at the risk and responsibility of the Borrower and the Company and Promoters need to undertake that the Bank has no liability with regard to any dispute/ claims/ injunction etc.
- xii. Bank reserves the right to proceed/initiate criminal proceedings as per the extant law and Bank's policy, if any fraud is found/detected post settlement.
- xiii. Stamped Undertaking CUM Indemnity bond to be submitted by the Guarantor with the following covenants:
  - a. Any future claims, statutory dues against the borrower, bank will not be liable and it is Borrower's responsibility for such claims/dues.
  - b. Any legal dispute due from third parties, would be at the risk and responsibility of the Borrower and the Company and Promoters have to undertake that the Bank has no liability with regards to any such dispute/claims/injunction etc.
  - c. Regarding future claim on bank for refund of interest subsidy or any other subsidy will be borne by the Guarantor/ Borrower/Promoter/ company/firm.
  - d. Bank reserves the right to proceed /initiate/ criminal proceedings as per the the extant law and bank's policy , if any fraud is found/detected post the settlement;
  - e. Mr. Kishore Katare to submit stamped undertaking as stake holder of Katare Spinning Mill Ltd. by acknowledging his sole responsibility to clear



and pay all existing dues like BSE, sales tax duesm state/central Government Dues and any statutory /non- statutory dues etc. on or before NCLT decision on withdrawal of application.

- f. Mr. Kishore Katare to pay all the Existing and Future CIRP expenses like security charges, valuation charges, Charges of Resolution Professional and Interim Resolution Professional, including all other Existing and Future expenses whether accumulated already or to be accumulated in due course of CIRP.
- g. For protecting interest of bank and its employees, Immediately on conveying of approval Mr. Kishore Katare and others to submit Stamped Undertaking Cum Indemnity Bond plus make withdrawal application for their full satisfaction of all grievances, complaints, FIRs, other cases, claims, counter claims which are filed at local police station, DRT Pune and other judicial and quasi-judicial authorities. The Corporate Debtor to ensure the compliance immediately after handing over of the Management from RP to Corporate Debtor.
- xiv. Charges for valuation to be borne by the Borrower and not included in OTS calculation.
- xv. Appropriation of upfront amount and/ full and final payment amount held in No Lien account will be after acceptance of OTS by the borrower.
- xvi. In case of Company, acceptance should be supported by proper Board resolution. This is to obviate any future legal complications.
- xvii. If the sanction terms and conditions are accepted by the borrower and full and final payment is not made or terms not honoured, upfront and any amount deposited against accepted OTS will be appropriated in account as normal recovery. No refund of any deposited amount would be allowed after acceptance of terms and conditions of OTS and it shall be revoked.
- xviii. Security will be released only after withdrawal allowed by NCLT Mumbai in addition to full payment of OTS amount and compliance of all the Terms and Conditions of this communications to be read as whole. If security/ies is/ are extended to any other or group account, it/ they will not be released till liabilities in all the accounts are paid off.
- xix. In future, if any fraud is found, the same will be dealt with as per Bank's policy.
- xx. This OTS letter is without prejudice to Bank's right to continue, initiate legal action for recovery, of its legitimate dues by approaching various forums, tribunals, authorities and courts; as per extant laws of land.
- xxi. Complaints and FIRs filed, claims including counter claims, grievances and allegations made before various forums, tribunals, authorities, courts, judicial and quasi-judicial authorities shall be unconditionally withdrawn by the borrower, guarantor immediately on acceptance of this communication.
- xxii. This OTS offer is subject to Bank's extant guidelines and norms prescribed



from time to time.

We, therefore, advise you to furnish your unconditional acceptance of the terms and conditions of the above sanction of OTS and arrange for payment of OTS amount as per terms mentioned above. A resolution of the Corporate Debtor Company regarding unconditional acceptance of the OTS terms and conditions thereby authorizing a Director to execute / sign necessary documents needs to be submitted in due course once the management is handed over to Corporate Debtor Company by the Resolution Professional.

The duplicate of this letter duly signed be sent to us indicating your acceptance of above mentioned terms and conditions of OTS.

Yours faithfully



(Branch Manager)



Accepted Unconditionally by Mr. Kishore Tippana Katare, age 65,

PAN ABGPK7154C / UID 904055631160

At Bank of India Solapur Main Branch, Solapur on 7/09/2021.

A handwritten signature in blue ink, appearing to be "Kishore", written in a cursive style.

(Borrower/ Guarantor).