

KATARE SPINNING MILLS LIMITED

REG. OFF. - "KAMALA" 1st FLOOR, 259 SAKHAR PETH, SOLAPUR - 413 005.

MILL - "KAMALA NAGAR", TAMALWADI. Tal. TULJAPUR.

DIAL - 2623981, 2628581, MILL - 02471- 265027 - 28

FAX - 91-0217-2624981 MILL FAX - 02471-265028

Email: katarespinningmills@gmail.com

CIN:L17119PN1980PLC022962

Ref. No. KSM- 45/2019-20

29.05.2019

To
Department of Corporate Services,
Bombay Stock Exchange Ltd,
Floor No. 25 PhirozJeejeebhay Towers,
Dalal Street,
Mumbai- 400 001
BSE Scrip Code: 502933

Sub: Outcome of Board Meeting

Ref: Regulation 33(3) of the SEBI(LODR) Regulations, 2015

Dear Sir/Madam,

The Board Meeting of the Company was held on 29thMay, 2019 at 02.00 p.m. The Board of Directors at their Board Meeting have approved and taken on record the Audited Financial Results for the quarter and Year ended 31stMarch, 2019 as recommended by Audit Committee. Meeting concluded on 3.50 p.m.

Please find enclosed herewith the following;

- 1. Audited Financial Results for the quarter and year ended 31stMarch, 2019.
- 2. Statement of Assets and liability and Segment report for the quarter and year ended $31^{\rm st}$ March, 2019.
- 3. Independent Auditors report with annexure of unmodified opinion for the quarter and year ended 31st March, 2019.

The information and papers are being filed pursuant to Regulation 33(3) of the SEBI (LODR) Regulations, 2015.

Please take the aforesaid on your records and acknowledge the receipt.

Thanking you, Yours faithfully,

FOR KATARE SPINNING MILLS LIMITED

KISHORE KATARE Managing Director

(DIN: 00645013)

KATARE SPINNING MILLS LTD Balance Sheet as at 31st March, 2019

Particulars	Notes	As at 31/03/2019	As at 31/03/2018	As on 01/04/2017
ASSETS	100		52/00/2010	01/04/2011
ACTION OF THE PROPERTY AND ACTION OF THE PROPERTY OF THE PROPE				
Non-current assets				
Property, plant and equipment	.1	17,91,21,074	18,61,74,936	19,68,65,33
Capital work-in-progress	2	81,48,555	76,48,555	76,48,55
Investment property Goodwill		0	0	1
		0	0	
Intangible assets under development		0	0	(
Biological assets other than bearer plants		0	ol	(
Financial assets	3	0	o	(
- Non-Current investments	4	11,200	11,200	11,200
- Long-term loans and advances	5	27,56,960	32,10,177	31,56,658
- Trade Receivables	6	1,08,20,294	1,16,27,066	1,49,78,116
- Others	7	5,28,83,398	8,88,41,897	8,71,25,277
Deferred tax assets (Net)	8	3,77,27,000	3,77,27,000	2,90,04,000
Other non-current assets	767777	0	0	2,50,01,000
Total Non Current Asset: A		29,14,68,481	33,52,40,831	33,87,89,140
Current assets				44,41,62,116
Inventories	9	2,87,97,285	2,47,31,376	2,35,57,750
Financial assets		2 0 0.75	-,,,,,,,,,,,	2,00,07,700
- Current investments		0	0	,
- Trade and other receivables	10	2,01,47,424	2,02,86,751	71,88,507
- Cash and cash equivalents	11	7,59,59,350	2,38,08,769	2,41,62,930
- Short term loans and advances	12	0	2,00,00,709	2,41,02,930
Assets for current tax (net)	627023		~	
Other current assets	13	35,03,965	27,40,463	1,00,07,257
Non-current assets classified as held for sale				
Other Non-Current Assets		0	o	0
Total Current Assets B		12,84,08,025	7,15,67,359	6,49,16,444
				-,,, -, -, -, -, -, -, -, -, -, -, -, -,
Total Assets		41,98,76,506	40,68,08,190	40,37,05,584



12

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KATARE SPINNING MILLS LTD Balance Sheet as at 31st March, 2019

Particulars	Notes	As at 31/03/2019	As at 31/03/2018	As on 01/04/2017
EQUITY AND LIABILITIES	- 1		2	
	1 1	•		
Equity				
Equity Share capital	14	2,85,00,000	2,85,00,000	2,85,00,000
Other Equity	15	2,07,08,253	1,97,22,355	4,88,88,501
- Equity component of other financial instrument				
- Retained earnings @				
- Reserves			4	
 Reserves representing unrealised gains/ losses 			1	
- Other reserves				
Money received against share warrants				
Others				
Share application money pending allotment				
Total Equity		4,92,08,253	4,82,22,355	7,73,88,501
Non-current liabilities				
Financial liabilities				
- Long term borrowings	16	2,81,98,139	7,53,32,329	8,42,71,793
- Other financial liabilities (Trade Payable)	17	0	0	0
Long term provisions	4	0	0	0
Deferred tax liabilities (Net)	1 1	0	.0	. 0
Other non-current liabilities	18	67,42,236	51,83,406	25,90,690
Total Non Current Liabilities		3,49,40,375	8,05,15,735	8,68,62,483
Current liabilities				
Financial liabilities				
- Short term borrowings	19	30,34,07,254	23,93,19,128	20,43,95,962
- Trade and other payables	20	2,61,24,133	3,19,09,376	2,78,96,648
- Other financial liabilities	No. appear	0	0	C
Other current liabilities	21	57,84,460	68,06,263	71,26,657
Short-term provisions (IT Provision)		4,12,031	35,333	35,333
Liabilities for current tax (net)				
Total Current Liabilities		33,57,27,878	27,80,70,100	23,94,54,600
Liabilities associated with group(s) of assets held for disposal	TANKS WAS INCOME.			2017 18 16
Total Equity and Liabilities	1000	41,98,76,506	40,68,08,190	40,37,05,584

The accompanying notes are an integral part of the financial statements

As per our audit even date

N. R. WAGHCHAWARE & ASSOCIATES

Chartered Accountants

Nilkanth R Waghchaware Proprietor

ICAI Membership No :048890

Solapur. 27th May 2019

For and on behalf of Borad Katare Spining Mills Ltd

K T Katare Managing Director

DIN 00645013

S T Katare Director





KATARE SPINNING MILLS LIMITED Reg. Off:- 259, Sakhar Peth, Solapur- 413005 CIN- L17119PN1980PLC022962

STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2019

Sr. No.	Particulars	Ti	ree Months en	Rs. In Lacs		
		31/03/2019 Current year (Audited)	31/12/2018 Current year (Unaudited)	31/03/2018 Previous year (Audited)	31/03/2019 Previous year (Audited)	31/03/2018 Previous year (Audited)
1	Revenue from Operations	865.04	887.23	950.74	3196.13	3237.6
2	Other Income	412.00	19.88	-85.31	457.81	54.6
3	Total Revenue	1277.04	907.11	865.43	3653.94	3292.3
4	Expenses:		- 1981 			
a.	Cost of Materials Consumed	81.37	73.16	125,53	469.53	587.2
b.	Purchase of Stock-in-trade	792.96	736.32	566.4	2529.92	2157.3
c.	Changes in inventries of finished goods, work-in-progress and stock-in- trade	-49.10	25.44	64.8	-80.87	14.8
d.	Emplyee benefits expenses	20.82	18.86	32.72	95.57	177.00
e.	Finance Cost	144.02	21.56	88.68	323.83	176.00 319.06
f.	Depreciation and amortisation expenses	22/22/20/20		00.00	343.63	319.00
	Other Expenses	21.57	21.72	28.86	86.59	108.10
g.	Total Expenses	59.05	43.9	59.81	215.75	308.61
	Iotal Expenses	1070.69	940.96	966.8	3640.32	3671.27
5	Profit/(Loss) (before exceptional and extraordinary items and tax) (3-4)	206.35	-33.85	-101.37	13.62	-378.89
6	Expetional Items	0	0	0		C
7	Profit/(Loss) before extraordinary items and tax (5+-6)	206.35	-33.85	-101.37	13.62	-378.89
8	Exordinary Items	0	0	0	0	0
9	Profit/(Loss) before tax (7+-8)	206.35	-33.85	-101.37	13.62	-378.89
10	Tax Expenses:					
	Current	3.76	ATT			
	Deffered	3.70		07.00	3.76	
	Total Tax Expenses/Credit	0	0	87.23 87.23		-87.23
	Net Profit/(Loss) for the period (9+-		- 0	01.23	0	-87.23
11	10)	202.59	-33.85	-14.14	9.86	-291.66
12	Other Comprensive Income (including share in associates & joint ventures)					-
* 1	Amount of item that will not be reclassified to Profit & Loss	0	0	0		0
I	ncome Tax relating to items that will not be reclassified to Profit & Loss	0	0	0		0
1	Amount of item that will be reclassified to Profit & Loss	0	0	0		0
-	ncome Tax relating to items that will be reclassified to Profit & Loss	0	0	0		0
	Potal Comprensive Income for the period (11-12)	202.59	-33.85	-14.14	9.86	-291.66
14 I	Paid-up equity Share Capital	285	285	285	285	285.00
			4 4		200	200.00

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M. No. 048899

F.R.No.11499899

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Reserve excluding Revaluation Reserves as per balance Sheet of previous accounting year	0	0	. 0		0
Earning Per Share (Basic & Diluted) (For discontinued & Continued operations)	0.71	-0.12	0.00	0.03	-1.02

Notes:

- 1 The above result were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 29th May, 2019. The Statuory Auditors of the Company have conducted a 'Limited Review of the Financial results for the quarter ended 31st March, 2019.
- 2 The Company has adopted Indian Accounting Standards (Ind AS) from 1st April, 2017. Accodingly, these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards (Ind AS) 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued there under and other accounting principles generally accepted in India.
- 3 The Company operates in multiple business segment, i.e. Cotton yarn manufacturing, hotel Service, Solar power generation.
- 4 The figures for the previous period have been regrouped/rearranged wherever considered necessary.

Place: Solapur Date: 29.05.20

Katare Spinning Mills Limited

N.R. Waghchaure

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M No.48890

ishore T Katare

Managing Director in:00645013) SPINA

M. No. 048890

Subhash T Katare

Director

SP/(Din:00685066)

Annexure IV

17

Format for Reporting of Segment wise Revenue, Results and Capital Employed along with the quarterly/year ended results

Particulars	3 months ended In the current year (31/03/2019)	Corresponding 3 months ended in the previous year (31/03/2018)	Year to date figures for current period ended (31/03/2019)	Year to date figures for the previous year ended (31/03/2018)
	(Audited)	(Audited)	(Audited)	(Audited)
1. Segment Revenue (net sale/income from each segment should be disclosed under this head) (a) Segment – Cotton yarn mfg. (b) Segment – hotel Service (c) Segment – Solar Power generation (d) Segment (e) Unallocated Total Less: Inter Segment Revenue	833.79 000.00 031.25	930 000.00 020	3086.25 0000.00 0109.88	2914 0198 0125
Net sales/Income From Operations	865.04	950	3196.13	3237
2. Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)# (a) Segment – Cotton yarn mfg.	325.27	-031 Anchaute & Aco	259.79	-0170
		0 3 811	ciates * 570	TO THE PARTY OF TH

	-				*
0002	0900-	0319	-0379	0200 0379 -0097	0432
0023.86	333.69	323.82	9.86	0392.15 0099.93 -0194.24	297.84
-010. 028	-13	88	-101	200 379 -097	482
004.90 016.44	346.61	144.01	202.59	203.02 -0.43 -57.07	145.52
(b) Segment – hotel Service(c) Segment – Solar Powergeneration(d) Segment(e) Unallocated		Less: i) Interest** ii) Other Un-allocable	Expenditure net off (iii) Un-allocable income Total Profit Before Tax	3. Capital Employed (Segment assets – Segment Liabilities) (a) Segment – Cotton yarn mfg. (b) Segment – hotel Service (c) Segment – Solar Power generation (d) Segment (e) Unallocated	Total

The Company operates in multiple business segment, i.e. Cotton yarn manufacturing, hotel Service, Solar power generation.



3/2

N. R. Waghchaure & Associates

Chartered Accountants



16-22, Royal Plaza, Behind Bhagwat Petrol Pump, Murarji Peth, Solapur - 413 001, Ph:- 0217-2625054, 2623170 Cell: 9423590501 Email: fcanrw1970@gmail.com

INDEPENDENT AUDITOR'S REPORT

To.

The Members of Katare Spinning Mills Limited

Report on the Standalone Financial Statements

I have audited the accompanying standalone financial statements of Katare Spinning Mills Limited ("the Company"), which comprise the Balance Sheet as at 31stMarch 2019, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of changes in equity for theyear then ended, and a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position) Profit or Loss (financial performance including other comprehensive income) cash flows and changes in the equity of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

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.

Auditor's Responsibility

My responsibility is to express an opinion on these standalone financial statements based on my audit.

I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.



I conducted my audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the standalone financial statements.

Basis for qualified Opinion

13.

- a. As stated in Note No. 07 to the accounts, the Company has included in other non-current assets a sum of Rs. 428.00 lakh as deferred interest expenditure. In the past the Company had availed a term loan ICICI Bank Ltd (which was under OTS with them) which was subsequently assigned by ICICI to Kotak Mahindra Bank Ltd. Consequent upon assignment The Kotak Mahindra Bank Ltd filed suit against the Company in DRAT for recovery. The Company has settled the said loan with Kotak Mahindra Bank Ltd for an agreed amount of Rs. 750 lakh of which Rs. 325 lakh was deposited before DRAT and Rs. 425 lakhsare paid on or before 31/05/2013. Accordingly no loan balanceis now outstanding.
- b. The Company had a transferred balance in Capital Reserve of Rs. 150 lakh when the loan was settled with ICICI Bank Ltd. The said balance is then reversed from Capital Reserve and the balance Rs. 600 lakh represented the amount of interest from the year 2002 to the date of settlement. The Company has deferred this interest amount of Rs. 600 lakh to be written off over a period of 7 years and have accordingly charged Rs. 172.00 lakh in the two years (2012-2013 & 2013-2014) but has not charged Rs.428.00 lakh to the statement of profit and loss for the year under audit (Rs.NIL for the year under review and Rs. 428.00 lakh in the preceding year 2014-15, 2015-16, 2016-17 & 2017-18) and balance Rs.(0) Nil should have been remained to be carried forward as deferred revenue expenditure as on the date Balance Sheet.
- c. Trade Receivables to the extent of Rs. 25.06lakhs and other current assets/advances of Rs. 147.42.lakhs aggregating to Rs. 172.48lakhs are bad for which no provision is made in the accounts as referred to in Note No.5 and Note No. 6 in the notes on accounts
- d. Had the items reported in (b) and (c) above been charged to the statement of profit and loss, the profit for the year of Rs. 9.86 lakh would have been



decreased from Rs. 600.48lakh resulting into loss of Rs. 590.62 Lakh. To that extent it has resulted into overstatement of year end net Current Assets and Reserves and Surplus by Rs. 590.62lakh.

e. No provision is made for payment for gratuity on actuarial basis as on 31st March 2019 hence its impact on the net profit could not be ascertained as referred to Note No. 27(b) in the notes on accounts.

Qualified Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act of the state of affairs (financial position) of the Company as at 31st March, 2019, and its Loss (financial performance including other comprehensive income) its cash flows and the changes in equity for the year ended on that date.

Emphasis of the Matter

I draw attention to -

The cash credit and term loan availed by the company from Bank of India have become Non-Performing Assets due to defaults in payments of Installments and interest thereon and the loan accounts have been classified as Non-performing assets. Accordingly, the lender bank has not charged interest on the loan account. However, company has made provision in the books of accounts for unapplied interest on the reasonable estimate based on the terms of loan.

The lenders, Bank of India, have taken possession of property of hotel division of the company on 25/10/2017 under SARFESAI Act and from that date the hotel business of the company is not operating. The company has referred the matter to Debt Recovery Tribunal, Pune. The financials have been prepared on the assumption of going concern as the management is of the opinion that the company will remain in business in the foreseeable future. The Company has approached to the bank for one Time Settlement of Loans which has been accepted in Principle by the bank and Company has deposited 10% of the OTS amount.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order) issued by the Central Government in terms of sub-section (11) of section 143 of the Act, I give in "Annexure A" a statement on matters specified in paragraphs 3 and 4 of the said order.
- 2. As required by Section 143 (3) of the Act, 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 are in agreement with the books of account;
- (d) Except for the possible effects of the matter described in the basis for qualified opinion paragraph in my opinion on the standalone financial statements, these 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 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 over financial reporting of the Company and the operative effectiveness of such controls, refer to my separate report in "Annexure B", and
- (g) 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) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to me:
 - The Company has disclosed the impact of pending litigations on its standalone Ind AS financial statements;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

N. R. Waghchaure & Associates

Chartered Accountants,

FRN: 114999W

Nilkanth R. Waghchaure

Proprietor

ICAI Membership No.: 048890

Solapur, 27thMay, 2019

M. No. 048890

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The annexure referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2019, I report that

- (i) In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and the situation of the fixed assets.
 - b) Fixed assets have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management which, in my opinion, provides for physical verification of all the fixed assets 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) According to the information and explanation given to me and on the basis of my examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) In respect of its inventory:

12

- a) The inventories of finished goods, semi-finished goods, stores, spare parts and raw materials were physically verified at regular intervals by the Management.
- b) The procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company has maintained proper records of its inventories. According to information and explanation given to me, the discrepancies noticed on physical verification of stocks as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) The Company has 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) In my opinion and according to information and explanations given to me the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) I have broadly reviewed the cost records maintained by the Company pursuant to

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