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/36/2026-27

31st August, 2026

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 46th Annual Report for the year ended 2025-26 under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Madam/Sir,

The 46th Annual General Meeting of the Company will be held on Saturday, 26th September, 2026 at 11.00 a.m. (I.S.T.) 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 2025-26 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

46th
Annual Report
2025-2026

KATARE SPINNING MILLS LIMITED

CIN- L17119PN1980PLC022962

46TH ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2026

CORPORATE INFORMATION

 # BOARD OF DIRECTORS

Name of Director	***Designation***
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. Chetan Kumbhojkar,
Practicing Company Secretaries
Plot No.6B, 01st Floor, Shree Renuka Revenue Colony,
Near Sane Guruji Smarak, Sinhgad Road, Pune- 411030

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
46th Annual General Meeting
Saturday, 26th September, 2026
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 Wednesday, 23rd September, 2026
Till 5.00 p.m. on Friday, 25th September, 2026

CHAIRMAN'S SPEECH

Dear Shareholders,

It gives me immense pleasure to write to you and present the Annual Report of KATARE SPINNING MILLS LIMITED for the Financial Year 2025-26.

Global Economic Overview:

The global economy in FY 2025-26 has continued to navigate through a dynamic landscape characterized by both emerging opportunities and persistent challenges. While advanced economies have demonstrated moderate yet steady growth, emerging markets have contended with cross-currents, including inflationary pressures, interest rate adjustments, and global supply chain realignments. Geopolitical tensions in various regions have introduced continued volatility into international trade and investment flows. Despite this demanding environment, avenues for sustainable growth have remained resilient, particularly across industries anchored in technological advancement, energy transition, and sustainable manufacturing practices.

Indian Economic Landscape:

India's economy stands out as a beacon of stability, resilience, and robust growth amidst widespread global uncertainties. The nation's steady GDP growth rate—projected around 6.5% to 7.0%—is a testament to strong macroeconomic fundamentals, healthy domestic demand, and disciplined fiscal policies. The Government of India's continued emphasis on world-class infrastructure development, digital public infrastructure, and structural reforms has laid an enduring foundation for long-term expansion. The agricultural sector has demonstrated notable stability, while the domestic manufacturing sector—strengthened by the 'Make in India' initiative—has achieved significant qualitative and quantitative progress. Concurrently, the renewable energy sector has solidified its position as a primary driver of India's economic and environmental transformation, supported by visionary policy frameworks and substantial capital inflows.

Cotton Yarn Industry:

The cotton yarn industry constitutes a vital and indispensable component of the global textile value chain, serving as the core building block for fabric production across an extensive array of industrial, commercial, and apparel applications. Globally, the cotton yarn market has exhibited strong structural resilience, underpinned by steady demand across key textile manufacturing hubs in Asia, Europe, and North America. While raw material price volatility, logistics costs, and shifting trade regulations have presented intermittent headwinds, the industry has sustained an upward trajectory. Ongoing technological modernization in spinning and weaving has substantially enhanced production efficiency, yarn quality, and specialized product offerings, directly meeting the sophisticated demands of the modern apparel and home textile sectors.

In India, the cotton yarn sector is a cornerstone of the broader textile ecosystem, playing a pivotal role in generating substantial foreign exchange earnings and widespread employment. As one of the world's foremost producers and exporters of cotton yarn, India commands a comprehensive, integrated supply chain extending from farm-level cotton cultivation to advanced yarn processing. The domestic industry has derived significant momentum from progressive government interventions, notably the Production Linked Incentive (PLI) scheme and historical modernization frameworks like the Technology Upgradation Fund Scheme (TUFS). These policy enablers have catalysed capital deployment toward facility modernization, resource-efficient machinery, and the adoption of eco-friendly, sustainable manufacturing standards.

Solar Energy Industry:

The global solar energy sector is witnessing transformative momentum, propelled by the critical imperative to decarbonize economies and combat climate change. Driven by technological breakthroughs that have enhanced photovoltaic efficiency while driving down levelized costs of electricity, solar power has firmly established itself as one of the most viable, scalable, and economically competitive alternatives to conventional fossil fuels. The sector continues to attract major capital investments worldwide, supported by conducive regulatory mandates, green financing mechanisms, and an accelerating global consensus on sustainability.

Domestically, solar power is at the forefront of India's renewable energy and climate strategy. The nation has established ambitious milestones, targeting 280 GW of installed solar energy capacity by 2030. Flagship programs, including the National Solar Mission and favorable state-level power policies, have created a highly supportive ecosystem for capacity additions. Benefiting from high solar insolation levels and broad geographic expanses, India continues to strengthen its leadership role in the global clean energy transition.

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. 36,303/- (in thousand) as compared to last year's income of Rs. 53,642/- (in thousand). During the reporting period under review, the Company has incurred a net Loss of Rs. 21,643/- (in thousand) as compared to last year's net loss of Rs. 17,304/- (in thousand). Now Company has accommodated with changes and has a vision of growing manifold in upcoming financial year.

Acknowledgements:

In conclusion, on behalf of the Board of Directors, I extend my profound gratitude to our valued shareholders, esteemed customers, financial institutions, suppliers, and business associates for their steadfast confidence, guidance, and support. I would also like to place on record our sincere appreciation for the hard work, loyalty, and commitment demonstrated by our employees across all operational levels.

Thank you for your continued partnership as we work collaboratively toward sustainable growth and long-term 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

SR. NO.	***CONTENTS***	***PAGE NO.***
1	Notice of AGM	08
2	Director's Report	39
3	Management's Discussion and Analysis Report	66
4	Corporate Governance Report	80
5	Secretarial Auditor's Report	91
6	Financial Statements	109

NOTICE OF 46TH ANNUAL GENERAL MEETING

Notice is hereby given that 46th Annual General Meeting of the Members of the Company will be held on Saturday, 26th September, 2026 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, 2026 and Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and the Auditors of the Company.

2. To re-appoint Mr. Umakant Mahindrakar (DIN: 01233305), who retires by rotation and being eligible, seeks re-appointment.

"RESOLVED THAT, pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Umakant Mahindrakar (DIN: 01233305), who retires by rotation at this meeting and being eligible offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

3. Appointment of M/s. Hiremath Patil Udgiri and Associates, Chartered Accountants (FR. No. 129856W, M. No. 131259 and Peer Review No. 024697) as the Statutory Auditors of the Company.

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

"RESOLVED THAT, pursuant to the provisions of Sections 139(1), 141, 142 and other applicable provisions, if any, of the Act read with the Audit Rules and the applicable provisions of the SEBI Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and based on the recommendation of the Audit Committee and the Board of Directors, the consent of the members of the Company be and is hereby accorded for the appointment of M/s. Hiremath Patil Udgiri and Associates, Chartered Accountants (FR. No. 129856W, M. No. 131259 and Peer Review No. 024697), as the Statutory Auditors of the Company for a term of 5 (five) consecutive years effective from the conclusion of this Annual General Meeting ("AGM") till the conclusion of the 51st AGM of the Company to be held in the year 2031, at such remuneration plus applicable taxes, and out of pocket expenses as may be recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.

RESOLVED FURTHER THAT any of the Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution, including but not limited to filing the necessary forms, returns and documents with the Registrar of Companies, Stock Exchanges and other statutory/regulatory authorities and to settle any questions, difficulties or doubts that may arise in this regard."

SPECIAL BUSINESS:

4. Appointment of M/s. Hiremath Patil Udgiri and Associates, Chartered Accountants (FR. No. 129856W, M. No. 131259 and Peer Review No. 024697) as the Statutory Auditors of the Company to fill the casual vacancy.

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

"RESOLVED THAT pursuant to the provisions of Sections 139(8), 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and based on the recommendation of the Audit Committee and the Board of Directors the consent of the Members be and is hereby accorded for the appointment of M/s. Hiremath Patil Udgiri and Associates, Chartered Accountants (FR. No. 129856W, M. No. 131259 and Peer Review No. 024697), as the Statutory Auditors of the Company with effect from 21st August 2026, to fill the casual vacancy caused by the resignation of M/s. G M Pawle and Associates, Chartered Accountants (Firm Registration No. 160253W and Membership No. 032561) to hold office until the conclusion of this 46th Annual General Meeting, at such remuneration plus applicable taxes, and out of pocket expenses as may be recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.

RESOLVED FURTHER THAT any of the Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution, including but not limited to filing the necessary forms, returns and documents with the Registrar of Companies, Stock Exchanges and other statutory/regulatory authorities and to settle any questions, difficulties or doubts that may arise in this regard."

5. Additions in Main Objects Clause of Memorandum of Association of the Company.

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

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

"RESOLVED FURTHER THAT following clauses shall be added after Clause 3 of existing Main Object clause:

4. To carry on the business of manufacturing, designing, assembling, importing, exporting, trading, installing, commissioning, operating and maintaining Battery Energy Storage Systems ("BESS"), including lithium-ion and other advanced chemistry battery cells and battery packs, energy storage solutions, solar energy storage systems, grid-scale energy storage systems, micro-grid solutions, UPS and inverter systems, and to provide energy management services, power backup solutions and related services for commercial, industrial, residential, event and institutional customers; and to enter into technical collaboration, joint venture, technology transfer, licensing and strategic alliance arrangements with Indian and foreign companies for manufacturing, assembly, research and development, and servicing of BESS and other related energy storage technologies.

5. To act as a system integrator, EPC contractor and authorized service provider for setting up BESS-based captive power systems, industrial micro-grids and hybrid energy solutions; and to undertake research and development, testing, certification and manufacturing of components and systems including battery packs, Battery Management Systems ("BMS"), Power Conversion Systems ("PCS"), panels, enclosures and other allied components for BESS and related energy storage applications, and to do all such acts, deeds and things as may be necessary, incidental or conducive to the attainment of the aforesaid objects.

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

6. Continuation of Mr. Kishore T. Katare (DIN 00645013), as Chairman and Managing Director of the Company after attaining the age of 70 years.

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

"RESOLVED THAT pursuant to the provisions of Section 196(3)(a) and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), read with Schedule V to the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable provisions of the Act and the rules made thereunder, and subject to such approvals, permissions and sanctions as may be required, approval of the Members of the Company be and is hereby accorded for the continuation of Mr. Kishore T. Katare (DIN 00645013) as Chairman and Managing Director of the Company after attaining the age of 70 years, for the remaining period of his existing tenure of appointment, i.e. up to 30th June 2028, on the existing terms and conditions of his appointment and without any remuneration.

RESOLVED FURTHER THAT the continuation of Mr. Kishore T. Katare (DIN 00645013as Chairman and Managing Director after attaining the age of 70 years shall be in the interest of the Company, considering his extensive experience, leadership, industry knowledge, valuable contribution and continued guidance in the management and affairs of the Company.

RESOLVED FURTHER THAT, the Board of Directors of the Company, including any Committee thereof and/or the Company Secretary, be and are hereby authorised to do all such acts, deeds, matters and things and to take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

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

Place: Solapur
Date: 21th August, 2026

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. 2,3,4,5 and 6 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/Authority letter 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 19th September, 2026 to 26th September, 2026 (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 2025-26 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 venue of the Annual General Meeting.

21. Route Map showing directions to reach to the venue of the 46th 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. **<u>Green Initiative in the Corporate Governance– Registration of email address.</u>**

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.

<u>Information and other instructions relating to e-voting are as under:-</u>

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 25th September, 2026.

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 23rd September, 2026 (9.00 am) and ends on 25th September, 2026 (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 18th September, 2026 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 25th September, 2026. 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 46th 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.mufg.com.

The instructions for shareholders voting electronically are as under:

1. The voting period begins on 23rd September, 2026 (9.00 am) and ends on 25th September, 2026 (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 18th September, 2026, 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 holding securities in Demat mode with **CDSL Depository**	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 authentication. The users to login to Easi / Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon & My Easi New (Token) Tab. 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, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option. 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. 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.

Individual Shareholders holding securities in demat mode with **NSDL Depository**	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-directed to e-Voting service provider website for casting your vote during the remote e-Voting period 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 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.

	4) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. 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 re-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.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	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.

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.comand 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	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) • 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)	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. • 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 page take print out of the voting done by you by clicking on “Click here to print” option on the Voting.

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. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

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 Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- 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.comand 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 e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, AVP, (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 at toll free no.
1800 21 09911.

By Order of the Board of Directors
KATARE SPINNING MILLS LIMITED

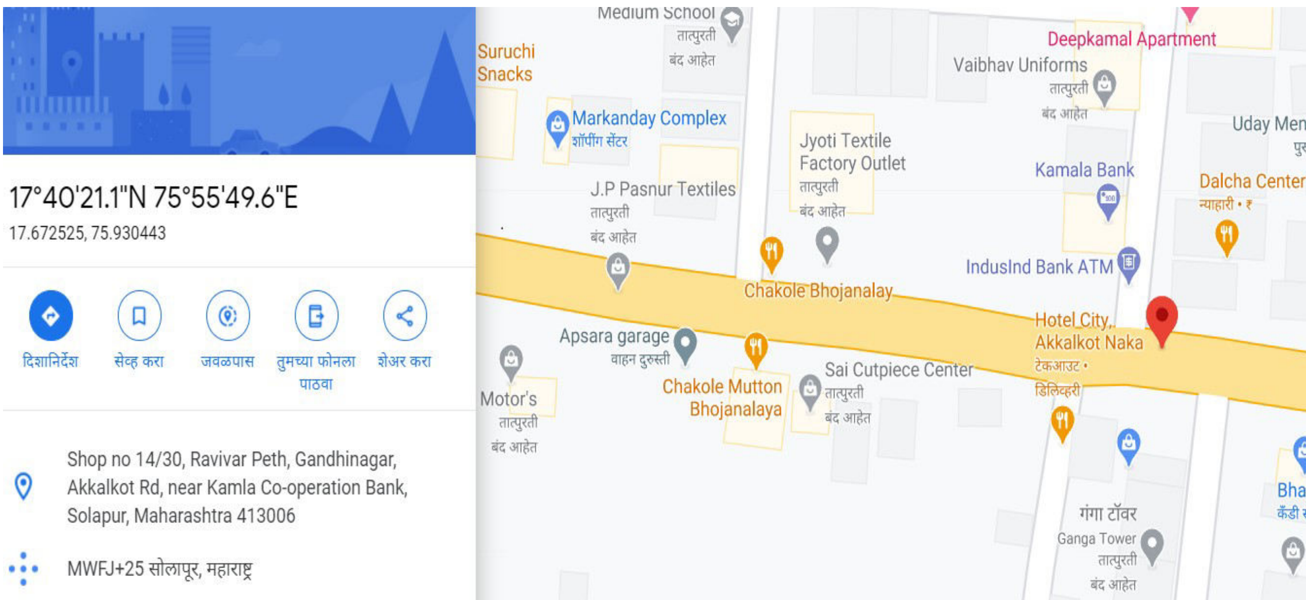
SD/-
KISHORE KATARE
MANAGING DIRECTOR
(DIN- 00645013)
Add: 14/30 Ground Floor, B Wing, Katare complex,
Gandhinagar, Bl. No. 10 Solapur 413006

Place: Solapur
Date: 21th August, 2026

ROUTE MAP OF 46th 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, 3, 4, 5 and Item No. 6 of the accompanying Notice:

ITEM NO. 2:

Mr. Umakant Mahindrakar (DIN 01233305) holds a qualification in Bachelor of Commerce. He is appointed as a Non-Executive Director in the Company and primarily responsible for the Management functions and other activities in the Company. He has been associated with the Company for over 20 years and he 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 & 4:

Pursuant to the provisions of Section 139 of the Companies Act, M/s. G M Pawle and Associates, Chartered Accountants (Firm Registration No. 160253W and Membership No. 032561) were appointed as the Statutory Auditors of the Company at the AGM held on 29th September 2022 to hold office for a period of 5 years from the conclusion of the 42nd AGM until the conclusion of the 47th AGM of the Company to be held in the year 2027. However, on 12th August 2026, M/s. G M Pawle and Associates, Chartered Accountants has tendered his resignation as the Statutory Auditors of the Company before completion of his term.

This had resulted in a casual vacancy in the office of Statutory Auditors of the Company. Further, as per the provisions of Section 139(8) of the Companies Act, 2013 casual vacancy caused by the resignation of auditor shall be approved by the shareholders in a General Meeting within 3 (three) months from the date of recommendation of the Board of Directors of the Company.

The Board of Directors at their meeting held on 21st August 2026, on the recommendation of the Audit Committee, and pursuant to the provisions of Section 139(8) of the Companies Act, 2013, has appointed M/s. Hiremath Patil Udgiri and Associates, Chartered Accountants (Firm Registration No. 129856W and Peer Review No. 024697), to fill the casual vacancy caused by the resignation of M/s. G M Pawle and Associates, Chartered Accountants and hold the office of the Statutory Auditor until the conclusion of this AGM. Accordingly, shareholders' approval by way of Ordinary resolution is sought.

Further, the Board of Directors at their meeting held on 21st August 2026, on the recommendation of the Audit Committee, has also recommended the appointment of M/s. Hiremath Patil Udgiri and Associates, Chartered Accountants (Firm Registration No. 129856W and Peer Review No. 024697), to hold office as Statutory Auditors of the Company for a term of five (5) consecutive years from conclusion of this 46th AGM till the conclusion of 51st Annual General Meeting to be held in the year 2031, subject to approval of members at the 46th AGM of the Company.

M/s. Hiremath Patil Udgiri and Associates, having a Firm Registration No. 129856W and Peer Review No. 024697, is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. The Firm was established in the year 11/09/2006. The registered office of the Firm is at 208, 01st Floor, Hall No. 101, Prime Residency Apartment, Near old Siddeshwar Temple, Sakhar Peth, Solapur- 413005. The Firm is primarily engaged in providing Assurance and Tax Auditing services to its clients. The Firm has 03 Partners as of 01st July, 2026. It has a valid peer review certificate and audits various Private and Public companies in India.

M/s. Hiremath Patil Udgiri and Associates, Chartered Accountants (Firm Registration No. 129856W and Peer Review No. 024697), have conveyed their consent for being appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013 and shall satisfy the criteria as provided under Section 139, 141 and other relevant provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

Details as required under Regulation 36(5) of the Listing Regulations, 2015 is provided below:

Sr. No.	Particulars	Details
1	Proposed Statutory Auditor	M/s. Hiremath Patil Udgiri and Associates, Chartered Accountants
2	Proposed Fees payable to the Statutory Auditor	Limited Review Fees: Rs. 50K for Conducting three Limited Reviews. Statutory Audit Fees: Rs. 50K for the Statutory Audit. The above fees are exclusive of out-of-pocket Expenses (OPE) and any additional certifications, reports, or other services that may be required to meet statutory, regulatory, or other legal obligations.
3	Terms of Appointment	With effect from 21st August 2026, till the conclusion of 46th AGM. Thereafter, for a period of five (5) consecutive year commencing from the conclusion of 46th AGM till the conclusion of the 51st AGM of the Company to be held in the year 2031.
4	In case of a new Auditor, any material change in the fee payable to such Auditor from that paid to the outgoing Auditor along with the rationale for such change	As per Industry standard and commercial approach in Solapur district.

5	Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor proposed to be appointed	M/s. Hiremath Patil Udgiri and Associates, Chartered Accountants (Firm Registration No. 129856W and Peer Review No. 024697) is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. The firm has significant experience in providing audit and assurance services and is recognised for its strong technical expertise, technology-enabled audit approach, and deep industry knowledge, supported by a qualified and experienced team. For the purpose of recommending the appointment, the management evaluated various audit firms based on defined technical and commercial criteria, including Peer review certificate, audit methodology Approach, understanding of the Company's business and industry, experience and expertise of the engagement team, use of technology and communication approach.

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 and 4 of this Notice.

The Board of Directors recommends the resolutions as set out in Item No. 3 and 4 of the Notice for approval by the Members.

ITEM NO. 5:

The Company is presently engaged in the business of Spinning and Doubling, manufacturing and/or dealing in Cotton etc. and generation of solar power, as provided in its existing Memorandum of Association (“MOA”).

With a view to expand and diversify the business activities of the Company, explore new business opportunities and avenues for sustainable growth, and enable the Company to undertake activities which may be complementary and/or ancillary to its existing business operations, the Board of Directors of the Company has considered it appropriate to enlarge the scope of the Main Objects of the Company.

Accordingly, it is proposed to insert/add a new Main Object Clause in Clause 3rd (a) of the Memorandum of Association of the Company, enabling the Company to undertake the proposed business activity as and when considered appropriate by the Board of Directors.

The proposed alteration will provide greater flexibility to the Company in expanding its business operations and entering into new and emerging business opportunities whenever it comes. The proposed object is expected to facilitate diversification of the Company's business, optimum utilization of available resources and infrastructure, and creation of additional avenues for revenue generation and long-term growth.

The proposed alteration of the Main Object Clause shall not adversely affect the existing business operations of the Company. The Company shall undertake the proposed activities only after obtaining such approvals, permissions, registrations or licences as may be required under applicable laws and regulations.

The alteration of the Main Object Clause of the MOA requires the approval of the Members by way of a Special Resolution pursuant to the provisions of Sections 4 and 13 and other applicable provisions of the Companies Act, 2013, read with the applicable rules made thereunder and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A copy of the proposed altered MOA of the Company shall be available for inspection by the Members at the Registered Office of the Company during business hours on all working days up to the date of the ensuing General Meeting and shall also be made available in accordance with applicable provisions.

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. 5 of this Notice.

The Board of Directors recommends the Special Resolution set out at Item No. 5 of the accompanying Notice for approval of the Members.

ITEM NO. 6:

The Members of the Company at the Annual General Meeting held in the year 2023 had approved the re-appointment of Mr. Kishore T. Katare (DIN 00645013), without remuneration as a Chairman and Managing Director of the Company for a period of five (5) years with effect from 01st July 2023 up to 30th June 2028, without any remuneration.

Mr. Kishore T. Katare (DIN 00645013) has been associated with the Company for a considerable period and has played an important role in providing strategic direction, leadership and guidance in the overall management and affairs of the Company. During his tenure, he has contributed significantly towards the operations, growth and development of the Company and has provided valuable guidance to the Board and management.

Mr. Kishore T. Katare (DIN 00645013) has attained the age of 70 years on April, 2026 during the subsistence of his existing tenure as Chairman and Managing Director.

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, is of the considered view that the continued association and leadership of Mr. Kishore T. Katare (DIN 00645013) would be beneficial to the Company. His extensive experience, knowledge of the textile and spinning industry, business acumen, strategic understanding and familiarity with the Company's operations and stakeholders would continue to provide valuable guidance to the Company.

Accordingly, in order to ensure continued benefit of his experience and leadership and in the interest of the Company, the Board has considered it appropriate to seek approval of the Members for his continuation as Chairman and Managing Director after attaining the age of 70 years for the remaining period of his existing tenure, i.e. up to 30th June 2028.

Pursuant to the provisions of Section 196(3)(a) of the Companies Act, 2013 read with Part I of Schedule V, approval of the Members by way of a Special Resolution is being sought for continuation of Mr. Kishore T. Katare (DIN 00645013) as Chairman and Managing Director for attaining the age of 70 years.

It is pertinent to mention that Mr. Kishore T. Katare (DIN 00645013) was below the age of 70 years at the time of his re-appointment with effect from 01st July 2023 and the present proposal is only for obtaining Members' approval for his continuation for the balance period of his existing tenure after attaining the age of 70 years.

<u>Justification for continuation after attaining 70 years</u>

The Board is of the opinion that the continued association of Mr. Kishore T. Katare (DIN 00645013) as Chairman and Managing Director after attaining the age of 70 years is in the best interest of the Company and its stakeholders, considering his extensive experience, leadership capabilities, industry knowledge, strategic insight and valuable contribution to the Company's business and operations.

His continued guidance would facilitate stability in the management and assist the Company in achieving its business objectives and pursuing its long-term growth strategy. Further, as he is not drawing any remuneration from the Company, the proposed continuation does not involve any additional remuneration cost to the Company.

Mr. Kishore T. Katare (DIN 00645013) is concerned or interested in the proposed Resolution. Save and except Mr. Kishore T. Katare (DIN 00645013), 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. 6 of this Notice.

The Board of Directors recommends the Special Resolution set out at Item No. 6 of the accompanying Notice for approval of the Members.

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: 21th August, 2026

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	**Mr. Umakant Mahindrakar**	**Mr. Kishore T. Katare**
DIN	01233305	00645013
Date of birth and Age	27/07/1951 74 Years	12/04/1956 70 Years
Date of first Appointment on the Board	12th August, 2006	08th August, 1980
Qualifications	Bachelor of Commerce	B.A. and Diploma in Export management and Marketing.
Experience	Having 27 years into the Textile Industry, Spinning Mill	+ 45 Years
Expertise	Management functions and other activities in the Company	Superior inter personal skills, technical skills, capable of resolving multiple and Complex issues.
Number of Meetings of the Board attended during the Year	4 out of 4	4 out of 4
Shareholding in Company	534 (Shares)	610,859 (Shares)

Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	NA	Mrs. Vidyavati Katare- wife 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	Appointment as a Chairman and Managing Director without remuneration.
List of Directorship/ Membership/ Chairmanship of Committees of other Board:		
Public/Listed Companies Directorship	NIL	1 Public Company
Private Companies Directorship	NIL	1 Private Company
Membership/ Chairmanship of Committees	NIL	NIL

BOARD'S REPORT

To the Members,
KATARE SPINNING MILLS LIMITED

The Board of Directors are pleased to present the Forty Sixth (46th) Annual Report of the Company along with the financial statements for the Financial Year ended 31st March 2026.

1. FINANCIAL HIGHLIGHTS:

Certain key aspects of your Company's performance during the Financial Year ended 31st March 2026 as compared to the previous Financial Year are summarized below:

(Rs. In Thousand)

Particulars	**2025-26**	**2024-25**
Turnover	36,303	53,642
Profit Before Interest & Depreciation	1,195	(3,710)
Less : Interest	(3,866)	(3,353)
Profit before depreciation	(2,671)	(7,063)
Less : Depreciation	(13,065)	(13,092)
Loss after depreciation & before taxation	(15,736)	(20,155)
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	5,907	(2,851)
Profit / loss for the period	(21,643)	(17,304)
Profit/ Loss for the period		
Add : Balance carried from previous	0.00	0.00
Profit/Loss carried forward	**(21,643)**	**(17,304)**

2. OVERVIEW OF OPERATIONS:

During the year under review, your Company recorded a total income of Rs. 36,303 (in thousand) as compared to last year's income of Rs. 53,642 (in thousand) and net Loss of Rs. 21,643 (in thousand) as compared to last year's net loss of Rs. 17,304 (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 continues to be influenced by various external factors, including cotton availability and prices, yarn prices, domestic and export demand, power and other input costs, exchange-rate movements and general economic conditions. These factors may have a direct impact on the profitability and operational performance of spinning companies.

During the financial year under review, the Company recorded revenue of Rs. 36,303/- thousand from its spinning segment as against Rs. 53,642/- thousand in the previous financial year, representing a decline of approximately 32.32% in revenue.

The decline in turnover was primarily attributable to the challenging operating environment faced by the textile and spinning industry during the year, including fluctuations in cotton prices, yarn realizations, subdued market demand and pressure on operating margins. Volatility in the prices of key raw materials, particularly cotton, together with changes in market conditions and demand for cotton yarn, affected the Company's production, sales volumes and overall realizations during the year.

SOLAR POWER PROJECT:

Considering the significant contribution of electricity and power costs to the overall cost of production, the Company has installed a 1 MW solar power plant for captive consumption under the net metering mechanism. The solar power generated is primarily utilized for the Company's day-to-day manufacturing operations, with surplus power, wherever applicable, being exported to the grid in accordance with the applicable regulatory framework.

During the financial year 2025-26, the Company's captive solar power plant generated approximately 14,91,913 units of electricity, having an estimated value of approximately Rs. 47.90 lakh. The generation of renewable power has contributed towards reducing the Company's dependence on conventional grid power and has assisted in optimizing power costs and reducing the overall cost of production.

The Company's investment in captive solar power also supports its commitment towards sustainable business practices and reduction in its carbon footprint. The use of renewable energy for its manufacturing operations is expected to provide long-term benefits through improved energy efficiency, cost optimization and greater reliance on clean energy.

During FY 2025-26, the captive solar power sector in Maharashtra continued to operate in a changing regulatory environment. In particular, changes in the Maharashtra Electricity Regulatory Commission (MERC) framework relating to energy banking and settlement of renewable energy have impacted the flexibility available for adjustment of generated and consumed energy and may have an effect on the economic benefits derived from captive renewable energy generation.

In view of the changing regulatory and operating environment, the Company continues to monitor developments in the renewable energy sector and applicable MERC regulations. The Company will evaluate appropriate measures for optimizing solar power generation and consumption, improving utilisation of captive renewable energy and enhancing the overall economic benefits of the solar power project.

The Company remains committed to increasing the use of renewable energy and exploring opportunities for modernization, efficiency improvement and potential expansion of its renewable energy capacity, subject to technical feasibility, commercial viability and applicable regulatory requirements. The Company believes that greater utilisation of renewable energy will contribute to long-term cost efficiency and support its broader objective of sustainable growth.

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, 2026 is available on the Company's website i.e. https://katarespinningmills.com under investor Relations section.

6. NUMBER OF MEETINGS OF THE BOARD:

Four (4) Meetings of the Board of Directors were held during the financial year 2025-26 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, Mr. Umakant Mahindrakar (DIN: 01233305), he is liable to retires by rotation at the ensuing annual general meeting and being eligible offered himself 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, 140, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the rules made thereunder, M/s. G M Pawle and Associates, Chartered Accountants, Solapur (Firm Registration No. 160253W) were appointed as the Statutory Auditors of the Company at the Annual General Meeting ("AGM") held on 29th September 2022, for a term of five consecutive years, to hold office from the conclusion of the said AGM until the conclusion of the AGM of the Company to be held in the year 2027.

During the financial year 2026, the Company received a resignation letter dated 12th August 2026 from M/s. G M Pawle and Associates, Chartered Accountants, tendering their resignation as Statutory Auditors of the Company. The resignation was tendered on account of the restructuring of the proprietary firm, which is proposed to be merged into a partnership firm of Chartered Accountants under the name and style of M/s. PMWC and Associates, Chartered Accountants. Consequent upon such restructuring, the proprietary firm will cease to practice independently and, accordingly, the existing Statutory Auditor will not be in a position to continue the statutory audit assignment of the Company.

The Board of Directors took note of the resignation, which resulted in a casual vacancy in the office of Statutory Auditors of the Company pursuant to the provisions of Section 139(8) of the Act.

Based on the recommendation of the Audit Committee, the Board of Directors, at its meeting held on 21st August 2026, approved the appointment of M/s. Hiremath Patil Udgiri and Associates, Chartered Accountants (Firm Registration No. 129856W, Membership No. 131259 and Peer Review No. 024697) as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. G M Pawle and Associates, Chartered Accountants, subject to the approval of the Members of the Company at the ensuing AGM.

Accordingly, the appointment of M/s. Hiremath Patil Udgiri and Associates, Chartered Accountants, to fill the casual vacancy is being placed before the Members for their approval at the ensuing 46th AGM to be held on 26th September 2026, in accordance with Section 139(8) and other applicable provisions of the Act.

Further, subject to the approval of the Members and compliance with the applicable provisions of the Act, it is proposed to appoint M/s. Hiremath Patil Udgiri and Associates, Chartered Accountants (Firm Registration No. 129856W) as the Statutory Auditors of the Company for a term of five consecutive years, commencing from the conclusion of the 46th AGM to be held in the year 2026 until the conclusion of the 51st AGM to be held in the year 2031.

The Company has received the necessary consent and eligibility certificate from the proposed Statutory Auditors confirming that their appointment, if made, shall be in accordance with the applicable provisions of the Act and that they satisfy the criteria prescribed under Section 141 of the Act.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives is concerned or interested, financially or otherwise, in the proposed appointment, except to the extent of their respective shareholding, if any, in the Company.

Auditors' Report

The Statutory Auditors' Report for the financial year ended 31st March 2026, along with the Audited Financial Statements and Notes forming part thereof, is annexed to the Financial Statements forming part of this Annual Report.

The Statutory Auditors' Report contains certain observations/qualifications in respect of the financial year under review. The Board's explanation/comments in respect of the observations/qualifications are appropriately provided in the relevant section of this Annual Report and/or the Notes forming part of the Financial Statements.

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's spinning division has remained substantially non-operational for a prolonged period, and the Company has incurred continuous net losses, including a net loss of Rs. 2,16,43,306/- for the year ended March 31, 2026.	The Board has noted the observation of the Statutory Auditors regarding non-operation of Spinning Division. In this the Board Would like to clarify as under. 1. The Spinning Division has non-operating for last 3-4 years due to adverse & unviable market conditions beyond the control of the management the major reasons are. a) Unfavorable policy of the Central Govt. relating to textile sector. b) Huge disparity / mismatch between Raw Material (Cotton) prices & finished goods (yarn) prices making manufacturing commercially unviable. 2. If the division is operated under present conditions the company would incur heavy cash losses on account of daily fixed costs such as labour wage, staff salaries, power charges,

		interest & other overheads which would be much higher than the present level of losses. 3. Therefore as a prudent commercial measure to minimize losses & protect the interest of shareholders the Board has taken a conscious decision to keep the spinning operations on hold & explore alternative revenue models from the existing assets. Steps taken to mitigate losses & optimize asset utilization a) The unutilized factory sheds, land premises which are not required have been give the rental basis to the parties. This has resulted in steady rental income for the company. b) The company has a 1 M.W. Solar Power Plant the same is under Net metering / banking arrangement with MSEDCL. The exported power banked during the year was settled the company has received 46.51 Lacs from MSEDCL for the past year The power generated from Solar is being supplied to the tenants occupying the rented premises especially during morning hours which is generating additional power sale income. c) The Board clarifies that out of the total Net Loss reporting during the year approx 88% of loss is attributable to non-cash items viz. Depreciation & deferred tax liability thus the actual cash loss of the company is very minimal

		i.e. only about 12% of the reported loss during the current financial year 2025-26 the company has taken effective steps of enhancement in rental & letting out of additional area & optimum utilization of 1 MW Solar plant & Sale of power at better realization. The Board in confident that there measures the said minor cash loss will be fully wiped out & the company will turn into cash positive / plus the Board is continuously monitoring the textile market scenario & will restart the Spinning division as & when in becomes commercially viable.

14. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 (“Act”), read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”), the Company had appointed M/s. Chetan Kumbhojkar, Practising Company Secretaries, Pune, as the Secretarial Auditor of the Company for a term of five consecutive financial years commencing from FY 2025-26 to FY 2029-30, to conduct the Secretarial Audit of the Company in accordance with the applicable provisions of the Act, the rules made thereunder and the SEBI LODR Regulations.

Accordingly, M/s. Chetan Kumbhojkar, Practising Company Secretaries, Pune, conducted the Secretarial Audit of the Company for the financial year ended 31st March 2026. The Secretarial Audit Report for the financial year ended 31st March 2026, in the prescribed Form MR-3, is annexed to this Annual Report and forms an integral part of the Directors' Report.

The Secretarial Auditor's Report is self-explanatory and does not call for any further explanation or clarification from the Board, except to the extent specifically stated herein.

The Company has taken note of the observations, instances of non-compliance, if any, reported by the Secretarial Auditor and has initiated/undertaken necessary corrective and remedial measures to ensure compliance with the applicable provisions of the Companies Act, 2013, the rules made thereunder, SEBI LODR Regulations and other applicable laws, and to strengthen the Company's compliance framework.

The Secretarial Auditor shall continue to conduct the Secretarial Audit of the Company for the remaining period of his tenure, subject to applicable provisions of the Act, SEBI LODR Regulations and other applicable laws.

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 20th December, 2025 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 RESPOSIBILITY 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, 2026 and state that:

i. In the preparation of the annual accounts for Financial Year ended 31st March, 2026, 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, 2026 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: 21th August, 2026

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 4 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 2026	**Previous Year 2025**
1	**Electricity**		
	Purchased units from MSEDCL	2,16,416	21,495
	Total amt. Rs.	5,957	4,604
	Rate Unit Rs.	27.52	218.28
2	**Own Generation**		
	Solar Plant		
	Unit	14,91,913	11,25,441
	Rate per unit Rs.	4.88	4.20

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: 21st August, 2026

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	Ongoing	1,480	30.05.2025	NIL
		Interest Payable		3,412		
		Repayment		8,394		
		Sum paid on behalf of the Company		833		
Kamal Katare (CFO)	Son of the Director	Salary Credit	Ongoing	120	30.05.2025	NIL
		Amounts Paid		150		

Vidyavati Katare	Director Remuneration	Director Sitting Fees	Ongoing	8	30.05.2025	NIL
Vilas Shendage	Director Remuneration	Director Sitting Fees	Ongoing	8	30.05.2025	NIL
Y N Konda	Director Remuneration	Director Sitting Fees	Ongoing	8	30.05.2025	NIL
Umakant Mahindrakar	Director Remuneration	Director Sitting Fees	Ongoing	8	30.05.2025	NIL
Kamal Marketing Private Limited-Common Directors	Purchase of Cotton	Purchase of Yarn	Ongoing	19,355	30.05.2025	NIL
	Sale of Cotton	Sale of Yarn		19,323		
		Amount Paid		31		
Kamala Co-op Bank (Vidyavati K Katare)	Enterprise where KMP has Significance Influence/Control	OD Facility with Bank	Ongoing	660	30.05.2025	NIL
		FD with Bank		790		
		Shares		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
			2025-26	2024-25		
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: 21th August, 2026

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 14,91,913 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 energy industry continues to witness strong growth globally and remains one of the key drivers of the transition towards clean and sustainable energy. Declining technology costs, increasing deployment of renewable energy, technological advancements, growing demand for clean electricity and supportive government policies are expected to continue creating significant opportunities for the solar energy sector in the coming years. The industry is also witnessing increasing adoption of utility-scale solar projects, rooftop solar, open-access renewable energy, hybrid renewable energy projects and distributed solar applications.

India continues to be one of the world's leading solar energy markets. The Government of India has placed renewable energy at the centre of its long-term energy transition strategy, supported by policy initiatives, regulatory measures and programmes aimed at accelerating renewable energy deployment and increasing the share of clean energy in the country's electricity mix.
As per the latest data published by the Ministry of New and Renewable Energy (MNRE), India's cumulative installed solar power capacity stood at approximately 164.59 GW as on 31 July 2026, compared with approximately 150.25 GW as at 31 March 2026. The installed solar capacity as on 31 July 2026 comprised approximately 122.57 GW of ground-mounted solar projects, 30.74 GW of grid-connected rooftop solar, 4.77 GW of the solar component of hybrid projects and 6.51 GW of off-grid solar capacity.

The Government of India has undertaken several initiatives to accelerate the adoption of solar energy, including the National Solar Mission, PM Surya Ghar: Muft Bijli Yojana, PM-KUSUM, the Solar PV Module Production Linked Incentive (PLI) Scheme, Grid Connected Rooftop Solar Programme and other renewable energy initiatives. These programmes are aimed at promoting utility-scale and distributed solar generation, supporting domestic manufacturing, encouraging rooftop solar adoption and increasing access to clean and affordable electricity.

India has set ambitious long-term targets for its energy transition, including achieving 500 GW of installed renewable energy capacity by 2030, increasing the share of non-fossil fuel sources in installed electricity capacity and achieving net-zero carbon emissions by 2070. These targets, together with continued investments in transmission infrastructure, energy storage, green energy corridors and renewable energy projects, are expected to support sustained growth in the solar energy sector.

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 industry continues to witness strong growth, supported by increasing demand for clean and renewable energy, declining technology costs, technological advancements, energy security considerations and supportive government policies. The increasing focus on decarbonisation and transition towards low-carbon energy systems is expected to create significant opportunities across the solar energy value chain, including project development, engineering, procurement and construction, operation and maintenance, rooftop solar, open-access renewable energy, energy storage and integrated renewable energy projects.

India represents one of the world's fastest-growing renewable energy markets and has significant long-term potential for solar power generation. As per the latest data published by the Ministry of New and Renewable Energy (MNRE), India's cumulative installed solar power capacity stood at approximately 164.59 GW as on 31 July 2026, including approximately 122.57 GW of ground-mounted solar, 30.74 GW of grid-connected rooftop solar, 4.77 GW of the solar component of hybrid projects and 6.51 GW of off-grid solar. The continued increase in installed capacity reflects the strong growth potential of the Indian solar power sector.

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

During the financial year under review, the Company recorded revenue of Rs. 36,303/- thousand from its spinning segment as against Rs. 53,642/- thousand in the previous financial year, representing a decline of approximately 32.32% in revenue.

The decline in turnover was primarily attributable to the challenging operating environment faced by the textile and spinning industry during the year, including fluctuations in cotton prices, yarn realizations, subdued market demand and pressure on operating margins. Volatility in the prices of key raw materials, particularly cotton, together with changes in market conditions and demand for cotton yarn, affected the Company's production, sales volumes and overall realizations during the year.

The performance of the spinning industry continues to be influenced by various external factors, including cotton availability and prices, yarn prices, domestic and export demand, power and other input costs, exchange-rate movements and general economic conditions. These factors may have a direct impact on the profitability and operational performance of spinning companies.

The management continues to closely monitor market conditions and is taking appropriate measures to improve operational efficiency, optimize production and capacity utilisation, control operating costs, improve product mix and strengthen marketing and sales efforts. The Company is also evaluating suitable measures and opportunities to improve its operating performance and financial position in the coming years.

The management remains focused on adopting prudent business practices, maintaining appropriate internal controls and making reasonable and informed estimates and judgments in the preparation of the financial statements, with a view to ensuring that the financial statements present a true and fair view of the state of affairs of the Company.

Despite the challenging operating environment and decline in turnover during the year under review, the management remains committed to improving the Company's operational efficiency and financial performance. The Company expects that improvement in market conditions, better capacity utilisation, cost optimization measures and strengthening of its business operations will support the Company's performance in the years ahead.

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 therefore.

Sr. No.	Particulars	FY 2025-26	FY 2024-25	Variance (in %)	Detail explanation for change (where the change is 25% or more As compared to i the immediately previous financial year)
1	Current Ratio	0.68	0.78	13%	Not applicable since the change is less than 25%.
2	Debt Service Coverage Ratio	0.03	-0.08	134%	Debt Service Ratio has improved by 134% from (0.08) to 0.03 the improvement is primarily attributable to increase in Net Operating Income driven by higher recovery of energy charges classified under other income. This has resulted in improved profitability & debt servicing at this during the current year.
3	Return on Equity Ratio	-0.02	-0.01	-27%	Return a Equity has varied by 27% from (0.01) time to (0.02) times. During the year under review in compliance with Ind A12-Income tax & as a matter of prudence the company has recognized Deferred Tax Liability Only. Deferred Tax Assts not been recognized due to absolve of virtual certainty supported by convincing evidence regarding availability of future taxable profits. This conservation accounting treatment has resulted in higher net loss thereby impacting the ROE.
4	Trade Receivables Turnover Ratio	1.75	3.09	44%	The revenue from operations witnessed a significant decline during the year under review, owing to prevailing adverse & sluggish market conditions in the Cotton Industry. The cyclical downturn & subdued demand have impacted the top-line performance & consequently the efficiency ratio, as

					compared to the previous financial year.
5	Trade Payable Turnover Ratio	81.48	139.49	42%	The variance is primarily attributable to reduction in yarn purchases in line with lower sales volume an account of adverse market conditions in the cotton Sector.
6	Net Capital Turnover Ratio	-2.12	-5.34	60%	The variance in the Net Capital Turnover Ratio is attributable to a dual impact: a substantial expansion in the working capital requirements alongside the contraction in revenue from operations as detailed in the preceding disclosures. This simultaneous increase in capital lock-up and decline in top-line performance compressed operating liquidity and directly impacted the relevant efficiency metrics during the year under review.
7	Net Profit Ratio	-0.78	-0.34	130%	The variance is mainly due to significant decrease in revenue from operations & pressure on operating margins on account of sluggish market conditions as explained above, resulting in higher net loss during the current year.
8	Return on Capital Employed	-0.01	-0.01	28%	Variance 28.5% Decrease in ROCE is due to lower EBIT an account of significant decrease in revenue from operations as discussed in point No.4 & increase in average capital employed during the year.
9	Return on Investment	0.08	0.05	37%	The variance of over 25% is attributed to negligible dividend income received during the year under review. Due to the small base value of the income, even minor shifts in absolute returns created a disproportionate variance in the ratio

11. <u>Cautionary Statement</u>

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.

<u>Comments of the Board of Directors on the observations pointed out in the Secretarial Audit Report;</u>

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: 21st August, 2026

CORPORATE GOVERANCE 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 committeesprovides 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, 2026, 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 31st MARCH, 2026

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. YadgiriKonda	Independent Director	NIL	NIL	NIL	NIL
Mr. Vilas Shendge	Independent Director	NIL	NIL	NIL	NIL
Mr. UmakantMahindrakar	Director	NIL	NIL	NIL	NIL
Mrs.VidyavatiKatare	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, 2026, 4(Four) Board Meetings were held on30th May, 2025, 11th August, 2025, 13th November, 2025 and 06th February, 2026 and theAnnual General Meeting during the year was held on 29thSeptember,2025.

Name of the Directors	Category of Directorship	No.of Board Meeting Attended	Attendance at the last AGM held on 29.09.2025
Mr. K. T. Katare	Managing Director	4	Present
Mr. Y. N. Konda	Independent Director	4	Present
Mr. V. R. Shendge	Independent Director	4	Present
Mr. U. M. Mahindrakar	Director	4	Present
Mrs. V. K.Katare	Director	4	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, 2026, Four Meetings were held.The composition of the Audit Committee is as follows:

Members of Audit Committee	Position	Committee Meetings
Mr.YadgiriKonda	Chairman-Independent Director	4
Mr.Vilas Shendge	Independent Director	4
Mrs. VidyavatiKatare	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, 2026, 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.YadgiriKonda	Chairman-Independent Director	2
Mr. Vilas Shendge	Independent Director	2
Mrs. VidyavatiKatare	Director	2

The detail of remuneration for the year ended 31st March, 2026 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, 2026, Two Meetings were held.

The composition of the Stakeholders Relationship Committee is as follows:

Members of Stakeholders Relationship Committee	**Position**	**Committee Meetings**
Mr.YadgiriKonda	Chairman-Independent Director	2
Mr. Vilas Shendge	Independent Director	2
Mrs. VidyavatiKatare	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, 2026.

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**
2024-25	29.09.25	11.00 A.M.	At 14/30 Ground Floor, B Wing, Katare Complex,Gandhinagar, Solapur MH- 413006
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

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, 2015except as mentioned in the Secretarial Audit report.

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	Saturday, 26th September, 2026at 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 01st Quarter Ending 30th June, 2026 Result for the 02nd Quarter/Half Year Ending 30th September 2026 Result for the 03rd Quarter Ending 31st December, 2026 Results for the 04th Quarter/Year Ending 31st March, 2027	 Second Week August 2026 Second Week November 2026 Second Week February 2026 Second Week May 2027
c)	Book Closure Date (Both days inclusive)	Saturday, 19th September, 2026 to Saturday 26th September, 2026
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 2025	198.35	159.00
May 2025	188.50	155.00
June 2025	177.95	151.20
July 2025	165.00	132.10

August 2025	149.95	127.00
September 2025	148.00	115.70
October 2025	140.00	115.60
November 2025	130.00	106.15
December 2025	122.95	93.10
January 2026	107.80	86.10
February 2026	110.95	86.00
March 2026	120.00	80.00

g) Share holding pattern as on 31.03.2026

Sr. No.	Category	No. of Shares	% (Percentage)
1	Promoters (Including Relatives of Director)	1414185	49.61
2	Body Corporate	122449	4.29
3	HUF	37897	1.33
4	Resident Individuals	1265198	44.39
5	Non-Resident Indian	1571	0.27
6	Financial Institutions/Banks	7900	0.28
7	Clearing Member	750	0.026
8	Escrow Account	50	0.001
	TOTAL	**2850000**	**100.00**

h)Distribution of Shareholding as on 31.03.2026

Shareholding of nominal value	No.of Shareholders	%	Nominal Value of Equity Shares(Rs.)	%
1 to 500	1788	88.03	20,14,700	7.06
501 to 1000	76	3.74	5,91,500	2.07
1001 to 2000	60	2.95	8,62,710	3.02
2001 to 3000	28	1.37	6,93,490	2.43
3001 to 4000	21	1.03	7,28,180	2.55
4001 to 5000	11	0.54	4,98,650	1.74
5001 to 10000	23	1.13	17,25,600	6.05
10001 to onwards	24	1.18	2,13,85,170	75.03

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 PatilRoad,
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 handlebothDemat 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, 2026 Equity shares were in de-materialized form representing 93.85% 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,
Katare 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 statementsthat might be misleading;

b. These statements together present a true and fair view of the Company's affairs and are in compliance withexisting 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, KatareComplex,
Gandhinagar, Bl. No. 10 Solapur 413006

Place: Solapur
Date: 21st August, 2026

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026

[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, 2026 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, 2026, 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 there under - Not applicable to the Company during the Audit period.

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of 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, 2018 - Not applicable to the Company during the audit period.

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - Not applicable to the Company during the audit period.

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not applicable to the Company during the audit period.

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client.

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - Not applicable to the Company during the audit period; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable to the Company during the audit period**;**

(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 and approved by the Central Government under Section 118(10) of the Companies Act, 2013, have been complied with by the Company during the year.

I have not examined the compliance by the Company with respect to;

- Applicable tax laws, such as Direct and Indirect Tax laws, since the same have been subject to review by the Statutory Auditors 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 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.

<u>I further report that;</u>

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, 2026. 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 Chetan Kumbhojkar
Company Secretary
Peer Review No. 5834/2024

CS Chetan Ramesh Kumbhojkar
Proprietor
M. No.: F13717 | CP No.: 23821
UDIN: f013717H001056055

Date: 08th August, 2026
Place: Pune

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 conducted on a test-check basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices followed by me 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 representationletterabout the Compliance of laws, rules and regulations and happening of events etc.

5. Compliance with the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management of the Company. My examination was limited to the verification of procedures on a test-check basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Chetan Kumbhojkar
Company Secretary
Peer Review No. 5834/2024

CS Chetan Ramesh Kumbhojkar
Proprietor
M. No.: F13717 | CP No.: 23821
UDIN: F013717H001056055
Date: 08th August, 2026
Place: Pune

INDEPENDENT AUDITOR'S REPORT

To,
The Members of Katare Spinning Mills Limited

Report on the Audit of the Standalone Financial Statement

Opinion

We have audited the accompanying standalone financial statements of KATARE SPINNING MILLS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2026, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity, the Cash Flow Statement for the year then ended and notes to the standalone financial statements including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph below, 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 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2026, and its loss, total comprehensive income, changes in equity and cash flows for the year ended on that date.

Basis for qualified Opinion

The Company's spinning division has remained substantially non-operational for a prolonged period, and the Company has incurred continuous net losses, including a net loss of Rs. 2,16,43,306 for the year ended March 31, 2026.

Further: As disclosed in Note 8 to the standalone financial statements, the Company carries a Net Deferred Tax Liability of Rs. 78,87,000 as of March 31, 2026 (increased from Rs. 19,80,000 as of March 31, 2025). Management has stated that Deferred Tax Assets relating to carried forward financial losses and unabsorbed depreciation have not been recognized due to the absence of virtual certainty supported by convincing evidence regarding future taxable income.

However, because the Company has not completed a comprehensive impairment testing of its underlying Property, Plant, and Equipment under Ind AS 36, and given the prolonged non-operational status of its core manufacturing business, the timing differences, carrying values of temporary tax differences, and the absolute recoverability of the net tax positions cannot be satisfactorily evaluated under Ind AS 12.

Consequently, we are unable to comment upon the potential adjustments that may be necessary regarding the Net Deferred Tax balances and their resultant impact on the accumulated Retained Earnings and Net Loss reported in the standalone financial statements.

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report.

We are independent of the Company in accordance with the code of Ethics issued by the Institute of Chartered Accountants of India together with ethical requirements relevant to our audit under provisions of the Companies Act, 2013 and Rules made thereunder and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

The Company's spinning division has not carried on substantial manufacturing operations during the year under review. The Company incurred a net loss during the financial year ended 31st March, 2026 and has accumulated losses. These conditions, along with prolonged non-operational status of manufacturing activities, indicate existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

However, the accompanying financial statements have been prepared by the management on a going concern basis considering the estimated realizable value of assets, expected revival measures, restructuring efforts and management's assessment regarding continuation of business.
Our opinion is not modified in respect of this matter.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period.

Key Audit Matter	How the matter was addressed in audit
Going Concern Assessment	We evaluated management assumptions relating to continuation of business, revival proposals, projected cash flow and disclosures relating to going concern uncertainty.
Deferred Tax Asset	We reviewed basis of recognition of deferred tax assets, projected taxable profits and management assumptions regarding future recoverability.
Possible Impairment of Plant and Machinery	We evaluated indicators of impairment considering prolonged non-operational status of spinning division and reviewed management explanations regarding carrying values of fixed assets.
Fixed Assets Verification and Ownership	We reviewed fixed asset records, examined title documents and evaluated disclosures relating to Property, Plant and Equipment.

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

The Company's Board of Directors is responsible for preparation of the other information. The other information comprises included in Board's Report, Management Discussion and Analysis, Corporate Governance Report and related annexures but does not include standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and consider whether such other information is materially inconsistent with standalone financial statements or our knowledge obtained during audit.

We have nothing to report on 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 Companies Act 2013 with respect to the preparation of standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, cash flows and changes in Equity of the Company in accordance with accounting principles generally accepted in India including Indian Accounting Standards specified under section 133 of the Act.

This responsibility includes maintenance of adequate accounting records of safeguarding 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,

In preparing the standalone financial statements, management is responsible of assessing the Company's ability to continue as a going concern, and using going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our 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 containing our opinion.

As part of an audit in accordance with standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Our procedures included

- Identify and assess risks of material misstatement.
- Obtaining audit evidence
- Evaluating accounting policies and estimates
- Evaluating going concern assumptions

- Evaluating presentation and disclosures
- Assessing adequacy of internal financial controls
- Communicating significant audit matters with those charged with governance.

II. Report on Other Legal and Regulatory Requirements

1. As required by Companies (Auditor's Report) Order, 2020 issued by Central Government of India in terms of section 143(11) of Act, we give in "Annexure A" a statement on matters specified in paragraphs 3 and 4 of the Order.

1. As required by Section 143(3) of the Act we report that-

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary of the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow statement are in agreement with books of accounts.

    d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31st March 2026 none of the directors is disqualified as on 31st March 2026 from being appointed as a director under Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting and operating effectiveness of such controls, refer to our separate report in 'Annexure B'. Our report contains an Adverse Opinion due to the identification of material weaknesses in internal controls over financial reporting as of March 31, 2026.

    g) In our opinion and according to information and explanations given to us, managerial remuneration paid during the year is in accordance with provions of section 197 of the Act.

    h) With respect to matters to be included in Auditor's Report under Rule 11 of Companies (Audit and Auditors) Rules, 2014:

i) The Company has disclosed impact of pending litigations on its financial position.

ii) The Company has made provision, as required for foreseeable losses, wherever required.

iii) There were no amount required to be transferred to Investor Education and Protection Fund.

iv) Management representations regarding funds advanced or received through intermediaries and ultimate beneficiaries have been obtained and nothing has come to our notice causing us to believe that such representations contain material misstatement.

v. The Board of directors has not proposed a dividend during the year.

vi. Based on my examination, the Company has used accounting software with the feature of recording audit trail (edit log) facility, and such features have been operated throughout the year for all relevant transactions recorded in the software subject to system configurations and controls maintained by management.

Further, based on our audit procedures and representations received, we did not come across any instance of material tampering of audit trail features during the year.

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

Sd/-
CA Ganesh Mallikarjun Pawle
Proprietor
(Membership No.: 032561)

Place: Solapur
Date: 30th May 2026

UDIN: 26032561RACKEQ1249

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

i. Property, Plant and Equipment

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(b) The management has physically verified Property, Plant and Equipment during the year under phased verification programme.

(c) Title deeds of immovable properties are held in the name of the Company.

(d) The Company has not revalued Property, Plant and Equipment during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property.

ii. Inventory

(a) Inventory has been physically verified by management at reasonable intervals.

(b) The Company has not been sanctioned working capital limits exceeding Rs.5 crores on basis of security of current assets.

iii. Investments and Loans

The Company has got granted loans, advances, guarantees or securities covered under clause 3(iii) of the Order.

iv. Sections 185 and 186

In our opinion, provisions of sections 185 and 186 of the Companies Act, 2013 have been complied with wherever applicable.

v. Deposits

The Company has got accepted deposits within meaning of sections 73 and 76 of Companies Act, 2013.

vi. Cost Records

We have broadly reviewed books of account maintained pursuant to rules prescribed under section 148(1) of the Act and are of opinion that prima facie prescribed records have been maintained.

vii. Statutory Dues

(a) The Company is generally regular in depositing undisputed statutory dues including GST, PF, ESI, Income Tax and other statutory dues.

(b) According to records and explanations given to us, there are no disputed statutory dues pending except those disclosed in notes of accounts.

viii. Unrecorded Income

There were no transactions relating to previously unrecorded income surrendered or disclosed during tax assessments.

ix. Borrowings

(a) According to records and explanations given to us, the Company has not committed material default in repayment of borrowings except delays/irregularities, if any, disclosed in financial statements.

(b) The Company has not been declared willful defaulter

(c) Term loans were applied for purposes for which obtained.

(d) Short-term funds have not been utilized for long-term purposes.

x. Public Offer/Preferential Allotment

The Company has not raised money through public offer or preferential allotment during the year.

xi. Fraud Reporting

(a) No fraud by Company or on Company has been noticed or reported during the year.

(b) No report under section 143(12) in Form ADT-4 has been filed.

(c) No whistle blower complaints were received.

xii. Nidhi Company

The Company is not a Nidhi Company.

xiii. Related Party Transactions

Transactions with related parties are in compliance with sections 177 and 188 wherever applicable and have been disclosed as required under applicable accounting standards.

xiv. Internal Audit

The Company has internal audit system commensurate with size and nature of business and internal audit reports were considered during statutory audit.

xv. Non-Cash Transactions

The Company has not entered into non-cash transactions with directors or persons connected with directors.

xv. RBI Registration

The Company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934.

xvii. Cash Losses

The Company has incurred cash losses during the current financial year as well as immediately preceding financial year.

xviii. Resignation of Auditors

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

xix. Material Uncertainty Regarding Meeting Liabilities

Based on financial ratios, ageing and expected realization of financial assets and payment schedule of financial liabilities, recurring losses, prolonged non-operational manufacturing activities and management plans for revival, material uncertainty exists regarding continuity of operations.

However, based on information and explanations presently made available to us and management representations obtained by us, nothing has come to our attention which causes us to believe that the Company would be incapable of meeting liabilities existing at balance sheet date as and when they fall due within a period of one year from balance sheet date.

This reporting is not an assurance as to future viability of the Company.

xx. Corporate Social Responsibility

Section 135 relating to Corporate Social Responsibility is not applicable.

xxi. Consolidated Financial Statements.

The Company is not required to prepare consolidated financial statements.

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

Sd/-
Ganesh Mallikarjun Pawle
Proprietor
(Membership No.: 032561)
UDIN: 26032561RACKEQ1249

Place: Solapur
Date: **30th May 2026**

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(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 INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS.

We have audited internal financial controls with reference to standalone financial statements of KATARE SPINNING MILLS LIMITED ("the Company") as of 31st March 2026 in conjunction with our audit of standalone financial statements 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 based on criteria established by the Company considering essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by institute of Chartered Accountants of

India.

These responsibilities include design, implementation and maintenance of adequate internal financial controls for ensuring orderly and efficient conduct of business, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

Auditor's Responsibility

Our responsibility is to express opinion on Company's internal financial controls with reference to standalone financial statements based on our audit.

We conducted our audit in accordance with Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and standards on Auditing prescribed under section 143(10) of Companies Act, 2013.

Our audit included obtaining understanding of internal financial controls, assessing risks of material weaknesses and testing and evaluating design and operating effectiveness of internal controls.

We believe that audit evidence obtained by us is sufficient and appropriate to provide basis for our opinion.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is process designed to provide reasonable assurance regarding reliability of financial reporting and preparation of financial statements.

Such controls include:

1. Maintenance of proper accounting records;
2. Authorization and recording of transactions;
3. Prevention and detection of unauthorized use or disposition of assets

Inherent Limitations of Internal Financial Controls

Because of inherent limitations of internal financial controls including possibility of collusion or management override, material misstatements due to error or fraud may occur and not be detected.

Further, projections of evaluation of internal financial controls to future periods are subject to risk that controls may become inadequate because of changes in conditions.

Basis for Adverse Opinion

According to the information and explanations given to us and as observed from the financial statements, the Company's spinning division has remained substantially non-operational for a prolonged period. The company has not established or operated effective internal financial controls in the following areas, which constitute material weaknesses as of March 31, 2026:

1. Asset Impairment Assessment Process: The Company lacks an effective control operating workflow to evaluate and test long-term impairment indicators under Ind AS 36 (*Impairment of Assets*). Controls failed to identify and record necessary valuation adjustments for Property, Plant, and Equipment despite prolonged manufacturing suspension and continuous operating cash losses.

2. Long-Term Business Evaluation & Deferred Tax Balances: The financial reporting risk-assessment process did not operate effectively to reliably evaluate the carrying value of timing differences and deferred tax liability balances in correlation with long-term business survival metrics under Ind AS 12.

3. Operational Manufacturing Controls: Systemic and process-driven internal controls relating to the monitoring and routine handling of inventory and specialized production machinery have been non-functional in the normal course of business due to the sustained closure of the spinning facility.

A "material weakness" is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

Adverse Opinion

In our opinion, because of the effects of the material weaknesses described above in the *Basis for Adverse Opinion* paragraph, on the achievement of the objectives of the control criteria, the Company has not maintained adequate and effective internal financial controls with reference to standalone financial statements as at March 31, 2026, 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.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2026, and these material weaknesses fully support the modifications described in our Basis for Qualified Opinion paragraph on the standalone financial statements.

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

Sd/-
Ganesh Mallikarjun Pawle
Proprietor
(Membership No.: 032561)
UDIN: 26032561RACKEQ1249

Place: Solapur
Date: 30th May 2026

KATARE SPINNING MILLS LTD
Audited Balance Sheet as at 31st Mar, 2026

Rs. In thousand

	Particulars	Note	As at 31/03/2026	As at 31/03/2025
I	**ASSETS**			
	Non-current assets			
	Property, plant and equipment and Intangible assets	1	11,30,294	11,43,241
	Capital work-in-progress	2	0	0
	Investment property		0	0
	Goodwill		0	0
	Intangible assets under development		0	0
	Biological assets other than bearer plants		0	0
	Financial assets	3	0	0
	- Non-Current investments	4	11	11
	- Long-term loans and advances	5	0	0
	- Trade Receivables	6	0	0
	- Others	7	28,777	28,743
	Deferred tax assets (Net)	8	0	0
	Other non-current assets		0	0
	Total Non Current Asset : A		**11,59,083**	**11,71,994**
	Current assets			
	Inventories	9	8,269	14,401
	Financial assets			
	- Current investments		0	0
	- Trade and other receivables	10	15,824	16,101
	- Cash and cash equivalents	11	800	755
	- Short term loans and advances	12	615	615
	Assets for current tax (net)			
	Other current assets	13	2,831	3,078
	Non-current assets classified as held for sale			
	Other Non-Current Assets		0	0
	Total Current Assets B		**28,339**	**34,951**
	Total Assets		**11,87,421**	**12,06,945**

KATARE SPINNING MILLS LTD
Audited Balance Sheet as at 31st Mar, 2026

	Particulars	Notes	As at 31/03/2026	As at 31/03/2025
II	**EQUITY AND LIABILITIES**			
	Equity			
	Equity Share capital	14	28,500	28,500
	Other Equity	15	11,08,406	11,30,050
	- 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		**11,36,906**	**11,58,550**
	Non-current liabilities			
	Financial liabilities			
	- Long term borrowings	16	0	0
	- Other financial liabilities (Trade Payable)	17	1,152	1,882
	Long term provisions		0	0
	Deferred tax liabilities (Net)		7,887	1,980
	Other non-current liabilities	18	0	0
	Total Non Current Liabilities		**9,039**	**3,862**
	Current liabilities			
	Financial liabilities			
	- Short term borrowings	19	40,368	42,951
	- Trade and other payables	20	103	247
	- Other financial liabilities		0	0
	Other current liabilities	21	1,005	1,336
	Short-term provisions (IT Provision)			0
	Liabilities for current tax (net)			
	Total Current Liabilities		**41,476**	**44,533**
	Total Equity and Liabilities		**11,87,421**	**12,06,945**
			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

SD/

GANESH M PAWLE
Proprietor
ICAI Membership No :032561
Place : Solapur
Date : 30.05.2026
UDIN : 26032561RACKEQ1249

Katare Spining Mills Ltd

SD/-	**SD/-**
K T Katare	**SOU V K KATARE**
Managing Director	**Director**
DIN 00645013	**DIN 1443784**
Place : Solapur	**Place : Solapur**
Date : 30.05.2026	**Date : 30.05.2026**
SD/-	**SD/-**
K.K. KATARE	**BHAGYSHREE RAWANI**
CFO	**COMPANY SECRETARY**
	M.No A64745
Place : Solapur	**Place : Solapur**
Date : 30.05.2026	**Date : 30.05.2026**

KATARE SPINNING MILLS LTD

Statement of audited Profit and Loss for the year ended 31st Mar, 2026

Rs. In thousand

	Particulars	Notes	As at 31/03/2026	As at 31/03/2025
I	**Income:**			
	Revenue from Operations (Gross)	22	27,859	51,198
	Other Income	23	8,445	2,445
	Total Income		**36,304**	**53,642**
II	**Expenses:**			
	Cost of Materials Consumed	24	18,729	45,912
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25	5,836	-290
	Employee Benefits Expense	26	2,316	2,302
	Finance Costs	27	3,866	3,353
	Other Expenses	28	8,227	9,429
	Depreciation and Amortization Expense	1	13,065	13,092
	Total Expenses		**52,040**	**73,797**
III	**Profit/(Loss) Before Tax**		**-15,736**	**-20,155**
IV	**Tax Expense:**			
	Current tax including MAT		0	0
	Deferred tax		5,907	-2,851
	Total		**5,907**	**-2,851**
V	**Profit (Loss) for the period**		**-21,643**	**-17,304**
VI	**Other Comprehensive Income:**			
(a)	Items that will not be reclassified to statement of profit or loss:		0	0
(b)	Income tax relating to items that will not be reclassified to statement of profit or loss - Foreign Currency Exchange Loss		0	0
(c')	Items that will not be reclassified to statement of profit or loss:		0	0
(d)	Income tax relating to items that will be reclassified to statement of profit or loss		0	0
			0	0
IX	**Total Comprehensive Income for the period**		**-21,643**	**-17,304**
XVI.	Earnings per equity share			
(i)	Basic	Basic	**-7.59**	**-6.07**
(ii)	Diluted	Diluted	**-7.59**	**-6.07**

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

SD/-

GANESH M PAWLE
Proprietor
ICAI Membership No :032561
Place : Solapur
Date : 30.05.2026
UDIN : 26032561RACKEQ1249

For and on behalf of the Board
Katare Spining Mills Ltd

SD/-	**SD/-**
K T Katare	**SOU V K KATARE**
Managing Director	**Director**
DIN 00645013	**DIN 1443784**
Place : Solapur	**Place : Solapur**
Date : 30.05.2026	**Date : 30.05.2026**
SD/-	**SD/-**
K.K. KATARE	**BHAGYSHREE RAWANI**
CFO	**Company Secretary**
	M.NO.A64745
Place : Solapur	**Place : Solapur**
Date : 30.05.2026	**Date : 30.05.2026**

KATARE SPINNING MILLS LTD
NOTE :1
Property, plant and equipment

SCHEDULE OF FIXED ASSETS FORMING PART OF BALANCE SHEET AS ON 31.03.2026

PARTICULARS	GROSS BLOCK				DEPRECIATION PROVIDED				NET BLOCK	
	AS ON 01.04.2025	ADDITIONS DURING THE YEAR	DISPOSAL/ADJUSTMENT	AS ON 31.03.2026	AS ON 31.03.2025	TOTAL DEPRECITION FOR THE YEAR	DISPOSAL / ADJUSTMENT	AS ON 31.03.2026	AS ON 31.03.2025	AS ON 31.03.2026
				(8+9)	(11+12)	(14+15)		(19+20)	(22+23)	(25 -26)
FACTORY LAND	8,43,334	0	0	8,43,334	0	0	0	0	8,43,334	8,43,334
BUILDING	3,31,074	0	0	3,31,074	85,902	6,502	0	92,404	2,45,171	2,38,669
BUILDING SOLAR PROJECT	7,841	0	0	7,841	2,748	255	0	3,003	5,093	4,838
PLANT & MACHINERY	67,049	0	0	67,049	59,191	0	0	59,191	7,857	7,857
PLANT & MACHINERY SOLAR PROJ	98,047	0	0	98,047	57,497	6,210	0	63,707	40,549	34,340
VEHICLES	1,505	0	0	1,505	1,430	0	0	1,430	75	75
OFFICE EQUIPMENTS	514	119	0	634	366	20	0	386	149	248
COMPUTER	1,055	0	0	1,055	941	12	0	953	114	102
FURNITURE & FIXTURE	2,774	0	0	2,774	2,636	0	0	2,636	139	139
OTHER ASSETS SOLAR PROJECT	300	0	0	300	280	1	0	281	20	19
OTHER ASSETS	2,533	0	0	2,533	2,056	49	0	2,105	478	429
OFFICE SOLAR PANEL	259	0	0	259	16	16	0	33	243	227
TOTAL :- A	13,56,285	119	0	13,56,404	2,13,064	13,065	0	2,26,129	11,43,222	11,30,275
B) I) Research & Devp. Equp.	381	0	0	381	0	0	0	362	19	19
II) Research & Devp. G Block	0	0	0	0	0		0	0	0	0
TOTAL : B	381	0	0	381	0	0	0	362	19	19
Grand Total : - (A+B)	**13,56,666**	**119**	**0**	**13,56,785**	**2,13,064**	**13,065**	**0**	**2,26,491**	**11,43,241**	**11,30,294**
Note No : 2 Capital Work In Progress										
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
TOTAL :- C	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL :- (A+B+C)	**13,56,666**	**119**	**0**	**13,56,785**	**2,13,064**	**13,065**	**0**	**2,26,491**	**11,43,241**	**11,30,294**
Previous Year	**13,57,870**	**2,194**	**2,734**	**13,56,666**	**2,02,608**	**13,836**	**1,972**	**2,14,169**	**11,54,900**	**11,42,497**

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 31, 2026

NON CURRENT -
Note No : 3 Financial Assets

		As at 31/03/2026	Rs.	As at 31/03/2025	Rs.
a)	Earmarked Balances with Banks (Unpaid Dividend)	0		0	
	Total		**0**		**0**

Notes : 04 NON CURRENT INVESTMENTS

		As at 31/03/2026	Rs.	As at 31/03/2025	Rs.
1	Bank of India 900 Equity Shares of Rs. 10 each fully paid **(Market Value Rs.1,23,300/-)@137/share**	9		9	
2	Kamala Coop Bank Ltd 2 equity shares of Rs. 1000 each fully paid	2		2	
3	Kamala Sakhar Udhyog Ltd 9 equity shares of Rs. 10 fully paid	0		0	
			11		**11**

Notes : 05 LONG-TERM LOANS & ADVANCES

		As at 31/03/2026	Rs.	As at 31/03/2025	Rs.
1	Advance against Capital Goods	0		0	0
			0		**0**

Notes : 06 Trade Receivable

		As at 31/03/2026	Rs.	As at 31/03/2025	Rs.
	Undisputed trade receivables- considered good	0	0	0	0
	Net Total	0	**0**	**0**	**0**

Notes : 06 Trade Receivable

		As at 31/03/2026 Rs.		As at 31/03/2025 Rs.	
	Undisputed trade receivables- considered good	0	0	0	0
	Net Total	0	**0**	**0**	**0**

Trade Receivables ageing schedule

As at March 31, 2026

	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	0	0	0	0	0	0	0
	(ii) Undisputed Trade receivables – which have significant increase in credit risk	0	0	0	0	0	0	**0**
	(iii) Undisputed Trade receivables – credit impaired	0	0	0	0	0	0	**0**
	(iv) Disputed Trade receivables– considered good	0	0	0	0	0	0	**0**
	(v) Disputed Trade receivables – which have significant increase in credit risk	0	0	0	0	0	0	**0**
	(vi) Disputed Trade receivables – credit impaired	0	0	0	0	0	0	**0**
	(vii) Expected credit loss rate	0	0	0	0	0	0	0
	(viii) Expected credit loss	0	0	0	0	0	0	0
	Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**

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	0	0	0	0	0	0	0
	(ii) Undisputed Trade receivables – which have significant increase in credit risk	0	0	0	0	0	0	0
	(iii) Undisputed Trade receivables – credit impaired	0	0	0	0	0	0	0
	(iv) Disputed Trade receivables– considered good	0	0	0	0	0	0	0
	(v) Disputed Trade receivables – which have significant increase in credit risk	0	0	0	0	0	0	0
	(vi) Disputed Trade receivables – credit impaired	0	0	0	0	0	0	0
	(vii) Expected credit loss rate	0	0	0	0	0	0	0
	(viii) Expected credit loss	0	0	0	0	0	0	0
	Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Notes : 07 Others

		As at 31/03/2026 Rs.		As at 31/03/2025 Rs.	
	Unsecured- Considered Good				
	All Business Deposits (MSEDCL)	643		609	
	MAT Credit Entitlement	28,134		28,134	
	Others				
	Total	28,777	28,777	28,743	28,743
	Doubtful	0		0	0
	Total	28,777	28,777	28,743	28,743
	Less: Doutful	0		0	
	Net Total		**28,777**		**28,743**

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 deffered tax assets and liabilities arising on account of timing differences are

Sr. No.	Particulars	As at 31/03/2026 Rs.		As at 31/03/2025 Rs.	
A	Derred tax Assets				
	Unabsorbed depreciaton & Losses	0		9,293	
	Disallowances	0		0	
	Provision for Bad & Doubtful debts	0		0	
	Total		**0**		**9,293**
B	Deferred tax Liabilities				
	On account of timing difference in depreciation	7,887		11,273	
	Others- Accrued bonus on Keyman	0		0	
	Total		**7,887**		**11,273**
C	Deferred Tax Asset/Liability		**-7,887**		**-1,980**

Note : Deferred Tax Assets relating to carried forward losses and unabsorbed depreciation has not been recognised considering absence of virtual certainty supported by convincing evidence regarding future taxable income as required under AS-22.

Notes : 09 INVENTORIES

		As at 31/03/2026 Rs.		As at 31/03/2025 Rs.	
I	**Inventories-(at cost except otherwise stated and as certified by Board of Director)-(Refer-Sub Group -9)**				
1	Raw Materials	654		950	
2	Consumables	1,769		1,769	
3	Work in Process	619		619	
4	Finished Goods	4,843		10,680	
5	Wastage & Scrap	384		384	
			8,269		**14,401**

Notes : 10 CURRENT TRADE RECEIVABLES

		As at 31/03/2026 Rs.		As at 31/03/2025 Rs.	
I	Secured- Considered Good				
1	Unsecured- Considered Good-**(Sub Note 10)**	15,824		16,101	
2	Doudtful				
	Total	15,824		16,101	
	Less: Doudtful	0			
3	Bad				
	Net Total		**15,824**		**16,101**

Trade Receivables ageing schedule Current

As at March 31, 2026

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	0	1,057	9,571	0	0	5,196	15,824
(ii) Undisputed Trade receivables – which have significant increase in credit risk	0	0	0	0	0	0	0
(iii) Undisputed Trade receivables – credit impaired	0	0	0	0	0	0	0
(iv) Disputed Trade receivables– considered good	0	0	0	0	0	0	0
(v) Disputed Trade receivables – which have significant increase in credit risk	0	0	0	0	0	0	0
(vi) Disputed Trade receivables – credit impaired	0	0	0	0	0	0	0
(vii) Expected credit loss rate	0	0	0	0	0	0	0
(viii) Expected credit loss	0	0	0	0	0	0	0
Total	**0**	**1,057**	**9,571**	**0**	**0**	**5,196**	**15,824**

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	0	114	10,791	0	0	5,196	16,101
(ii) Undisputed Trade receivables – which have significant increase in credit risk	0	0	0	0	0	0	0
(iii) Undisputed Trade receivables – credit impaired	0	0	0	0	0	0	0
(iv) Disputed Trade receivables– considered good	0	0	0	0	0	0	0
(v) Disputed Trade receivables – which have significant increase in credit risk	0	0	0	0	0	0	0
(vi) Disputed Trade receivables – credit impaired	0	0	0	0	0	0	0
(vii) Expected credit loss rate	0	0	0	0	0	0	0
(viii) Expected credit loss	0	0	0	0	0	0	0
Total	**0**	**114**	**0**	**0**	**0**	**5,196**	**16,101**

Notes : 11 CASH & BANK BALANCES

		As at 31/03/2026 Rs.		As at 31/03/2025 Rs.	
	Cash and cash equivalents				
1	Cash on hand	10		7	
	Balances with banks				
2	Bank of Maharashtra C/A	0		2	
3	Bank of Maharashtra CD A/c 138	0		13	
6	FD with Kamala Bank-3767	790		732	
	Total		**800**		**755**

Notes : 12 Short Term loans and advances

		As at 31/03/2026 Rs.		As at 31/03/2025 Rs.	
a	**Loans and advances to related parties**				
	Unsecured, considered good	0		0	
b	Others (Unsecured, considered good)	0		0	
c	ELDI in Spinning Division	615		615	
	Total		**615**		**615**

Notes : 13 Other Current Assets

		As at 31/03/2026 Rs.		As at 31/03/2025 Rs.	
I	**(Unsecured Considered Good) Advances recoverable in cash or in kind for value to be received**				
1	Interest Accrued	62		57	
		118		10	
2	Advance Income Tax & TDS				
3	Prepaid Expenses	46		107	
4	GST Control Account	1,049		1,307	
5	Advances recoverable in cash & Kind**(Refer Sub Note 13)**				
	Outstanding for more than 3 years	1,556		1,556	
	Outstanding for less than 1 year	0		40	
	Total		**2,831**		**3,078**

Notes : 14 SHARE CAPITAL

		As at 31/03/2026 Rs.		As at 31/03/2025 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	28,500		28,500	
	2850000 Equity Shares of Rs. 10/- each fully paid				
	Total		**28,500**		**28,500**

	Details of Shareholders holding more than 5% shares in the company	No.of Shares	% holding in the class	No.of Shares	% holding in the class
1	Kishor Tipanna Katare	6,10,859	21	5,84,714	21
2	Subhash Tippanna Katare	3,44,005	12	3,44,005	12
3	Shakuntala Tulsidas Katare	3,82,651	13	3,82,651	13

Note No :15 OTHER EQUITY

	Particulars	As at 31/03/2026 Rs.	As at 31/03/2025 Rs.
	Capital Reserve	27,498	27,498
	Revaluation Reserve	11,03,781	11,03,781
	General Reserve	6,033	6,033
	Retained Earnings	-28,955	-7,311
	Share Premium	49	49
	Total	**11,08,406**	**11,30,050**

Notes : 16 LONG - TERM BORROWINGS

		As at 31/03/2026 Rs.		As at 31/03/2025 Rs.	
1		0		0	
	Total		**0**		**0**

Notes : 17 OTHER FINANCIAL LIABILITIES (TRADE PAYABLE)

		As at 31/03/2026 Rs.		As at 31/03/2025 Rs.	
		Less Than 3Year	**More Than Three Years**	**Less Than 3Year**	**More Than Three Years**
1	Non Current Other Financial Liabilities				
	MSME				
	Other	135	1,017	255	1,627
	Disputed Dues-MSME				
	Disputed Dues-Others				
		135	1,017	255	1,627
	Total	**1,152**		**1,882**	

***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
iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the
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
Note: Dues to micro enterprises and small enterprises have been determined to the extent such parties have been

KATARE SPINNING MILLS LTD
Notes forming part of the financial statements for the year ended Mar 31, 2026

0

b.Other equity

`

For the year ended 31 March 2025

Particulars	Reserve & surplus						
	Capital Reserve	Revaluation Reserve	General Reserve	Retained Earnings	Share Premium	Foreign Currency Translation Reserve	Total Equity
As at 1st April 2024	27,498	11,04,445	6,033	9,329	49	0	11,47,354
Reversal of revaluation reserve on sale of revalued assets		-664		664			0
Loss for the year			0	-17,304			-17,304
As at 31 Mar 2025	**27,498**	**11,03,781**	**6,033**	**-7,311**	**49**	**0**	**11,30,050**

For the year ended 31 Mar 2026

Particulars	Reserve & surplus						
	Capital Reserve	Revaluation Reserve	General Reserve	Retained Earnings	Share Premium	Foreign Currency Translation Reserve	Total Equity
As at 1st April 2025	27,498	11,03,781	6,033	-7,311	49	0	11,30,050
Loss for the year			0	-21,643			-21,643
As at 31st Mar 2026	**27,498**	**11,03,781**	**6,033**	**-28,955**	**49**	**0**	**11,08,406**

Note No :13 OTHER EQUITY

Particulars	As at 31/03/2026	As at 31/03/2025
Capital Reserve	27,498	27,498
Revaluation Reserve	11,03,781	11,03,781
General Reserve	6,033	6,033
Retained Earnings	-28,955	-7,311
Share Premium	49	49
Total	**11,08,406**	**11,30,050**

Trade payables aging schedule as at March 31, 2026

	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	0	0	0	0	0	0	0
	(ii) Others	0	0	0	135	1,017	0	1,152
	(iii) Disputed dues - MSME	0	0	0	0	0	0	0
	(iv) Disputed dues - Others	0	0	0	0	0	0	0
	Total	**0**	**0**	**0**	**135**	**1,017**	**0**	**1,152**

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	0	0	0	0	0	0	0
	(ii) Others	0	0	255	0	1,627	0	1,882
	(iii) Disputed Dues - MSME	0	0	0	0	0	0	0
	(iv) Disputed Dues - Others	0	0	0	0	0	0	0
	Total	**0**	**0**	**255**	**0**	**1,627**	**0**	**1,882**

Notes : 18 OTHER NON CURRENT LIABILITIES

		As at 31/03/2026 Rs.		As at 31/03/2025 Rs.	
1	Gratuity Payable	0		0	
			0		**0**

NOTE NO. : 19 SHORT TERM BORROWINGS

		As at 31/03/2026 Rs.		As at 31/03/2025 Rs.	
	Loans Repayable on Demand				
	- From Bankers				
A	**Secured:**				
	Kamala Coop Bank OD 421	660	660	573	573
B	**Unsecured Loans:**				
	Loans From Related Parties (**Ref Sub Notes :19**)			0	
	Promotors	0		0	
	Directors	39,708		42,377	
	KMPs	0		0	
	Related Parties	0	39,708	0	42,377
	Total		**40,368**		**42,951**

Note

1) Loan from Kamala Co-Op Bank Rs.6,59,698 /- is against fixed deposit of Rs.789823/- with the said bank
2) Loan from directors Rs.3,97,08,012/- is an unsecured loan carrying interest at 9% p.a. terms of repayments of which is not decided.

KATARE SPINNING MILLS LIMITED

Notes : 20 TRADE AND TRADE PAYABLES

		As at 31/03/2026 Rs.		As at 31/03/2025 Rs.	
			0	0	0
	MSME	0			
			103		247
	Other	0			
			0	0	0
	Disputed Dues-MSME	0			
			0	0	0
	Disputed Dues-Others	0			
	Total		**103**		**247**

***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

0
i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each
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
iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond
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

Note: Dues to micro enterprises and small enterprises have been determined to the extent such parties

Trade payables aging schedule as at March 31, 2026

	Particulars	Outstanding for following periods from due date of paymen					Unbilled	Total
		Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years		
	(i) MSME	0	0	0	0	0	0	0
	(ii) Others	0	23	0	0	79	0	103
	(iii) Disputed dues - MSME	0	0	0	0	0	0	0
	(iv) Disputed dues - Others	0	0	0	0	0	0	0
	Total	**0**	**23**	**0**	**0**	**79**	**0**	**103**

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	0	0	0	0	0	0	0
	(ii) Others	0	247					247
	(iii) Disputed Dues - MSME	0	0	0	0	0	0	0
	(iv) Disputed Dues - Others	0	0	0	0	0	0	0
	Total	**0**	**247**	**0**	**0**	**0**	**0**	**247**

Notes : 21 OTHER CURRENT LIABILITIES

		As at 31/03/2026		As at 31/03/2025	
A	Revenue Received in Advance				
I	**Other Statutory Liabilities (VAT,TDS, PF etc)**	93		380	
			93		380
II	**Other (Ref Sub Notes :21)**				
1	Outstanding Expenses	232		261	
2	Director Sitting Fees	37		64	
3	Deposit against Godown Rent	500		500	
4	Bonus Payable	144	912	130	956
	Total		**1,005**		**1,336**

Note

1) Other statutory liabilities include Professional Tax of Rs.36,425/- payable of Hotel division which has not yet been paid to the credit of respective Govt Authority since 2021.

KATARE SPINNING MILLS LIMITED

Notes forming part of the financial statements for the year ended Mar 31, 2026

Note 22 : Revenue from operations

`

Sr. No.	Particulars		For the year ended 31st Mar 2026	For the year ended 31st March 2025
(a)	Sale of products	---	23,069	46,001
(b)	Sale of services	---	0	0
(c)	Other operating revenues	---	0	0
(d)	Solar Power Generation (Transmission)	---	4,790	5,197
	Total Revenue from operations :-		**27,859**	**51,198**

Note:

(i)	**Sale of products comprises :**			
	Manufactured goods			
	Cotton Yarn	---	4,666	0
	Less Return Goods		0	0
	Traded goods			
	Cotton Yarn	---	18,403	46,001
	Total - Sale of products :-		**23,069**	**46,001**
(ii)	**Sale of services comprises**			
	Hank yarn receipt	---		0
	Total - Sale of services :-		0	0
(iii)	**Other operating revenues comprise:**			
	Total - Other operating revenues :-		0	0

Note 23 : Other income

(a)	Interest income (Refer Note (i) below)	---	107	101
(b)	Dividend Income			
	from other long term investments	---	1	1
(c)	Rent received	---	1,562	284
(d)	Energey Charges Received	---	6,533	0
(e)	Other non-operating income (Refer Note (ii) below)	---	242	2,059
	Total :-		**8,445**	**2,445**

Note:

(i)	**Interest income comprises:**			
	Interest from banks on deposits:	---	68	64
	Other interest			
	Interest on MSEB deposit	---	38	37
	Total - Interest income :-		**107**	**101**
(ii)	**Other non-operating income comprises:**			
	Excess Bonus Provision Reversal	---	49	1
	Profit on sale of Land	---	0	366
	Interest on IT refund	---	0	3
	Sale of Raw Cotton	---	47	0
	Compensation received on cancellation of Pune Solar Project		25	44
	Discount Received		1	4
	Old Credit Balances w/o		120	1,640
	GST Reconciliation Adjustment		0	3
	Total - Other non-operating income :-		**242**	**2,059**

KATARE SPINNING MILLS LTD

Note 24.a Cost of materials consumed

	Particulars		For the year ended 31st Mar 2026	For the year ended 31st March 2025
a.	**Raw material consumed**			
	Opening stock	---	950	950
	Add: Purchases of raw material	---	0	0
	Subtotal		**950**	**950**
	Sale/return of Raw material		0	0
	Less: Closing stock	---	654	950
	Total cost of material consumed :-		**296**	**0**
b.	**Purchase of traded goods**			
	Cotton Yarn	---	18,433	45,912
	Total :-		18,433	45,912
	Total (a+b) :-		**18,729**	**45,912**

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

	Inventories at the end of the year:			
	Finished goods	---	4,843	10,680
	Work-in-progress	---	619	619
	Wastage & scrap	---	384	384
	Consumables	---	1,769	1,769
			7,615	**13,451**
	Inventories at the beginning of the year:			
	Finished goods	---	10,680	10,359
	Work-in-progress	---	619	619
	Wastage & scrap	---	384	384
	Consumables	---	1,769	1,799
			13,451	13,161
	Net (increase) / decrease :-		**-5,836**	**290**

Note 26 : Employee benefits expense

	Salaries and wages	---	2,285	2,225
	Contributions to provident and other funds	---	0	0
	Group Gratuity Paid	---		50
	Staff welfare expenses	---	31	27
	Total :-		**2,316**	**2,302**

Note 27 : Finance costs

	(a) Interest expense on:			
	(i) Borrowings			
	Bank interest - FDOD with Kamala Bank	---	53	52
	Interest Paid To Other	---	3,791	3,301
	Interest Paid on Delayed Payments	---	22	0
	Total :-		**3,866**	**3,353**

KATARE SPINNING MILLS LTD

Note 28 : Other expenses

	Particulars		For the year ended 31st Mar 2026	For the year ended 31st March 2025
	Consumption of stores and spare parts	---	212	195
	Power and fuel	---	6,007	4,520
	Rent	---	94	84
	Repairs and maintenance	---	178	240
	Insurance	---	493	393
	Rates and taxes	---	13	51
	Travelling and conveyance	---	51	40
	Freight and forwarding	---	1	6
	Printing and Stationery	---	14	13
	Legal and professional	---	500	517
	Payments to auditors	---		
	- As Auditors - Statutory Audit	---	45	45
	Bank charges		15	1
	Directors sitting fees	---	32	32
	Advertisement	---	51	48
	Fine & Penalties (BSE)		0	613
	Miscellaneous expenses	---	129	133
	ROC filling Fee	---	5	18
	Stock Exchange Fee	---	319	326
	Supervisor Charges	---	36	0
	Postage & Telephone	---	11	9
	Web Site Installation Charges	---	7	6
	Membership Fees	---	14	62
	Old Debit O/s Written off	---	0	616
	GST Expenses(DRC-03)		0	98
	Prior Period Expenses (Share Transfer Fees)		0	12
	MAT credit Written off		0	1,350
	Round Off		0	0
	Total :-		**8,227**	**9,429**

Note No: 29

Notes to Standalone Financial Statement as on 31.03.2026

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 and solar power.

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,2026.**

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 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 material adjustment within the next financial year is 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 expenses including deferred tax

iv)Current and non-current classification:

The Schedule III for 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 noncurrent

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 have been identified as being the Chief Operating Decision Maker.

The segment results are as under:

Rs. In Thousand

Segment Revenue	**Spinning Division**		**Solar Power Division**		**Total**	
	2,026	**2,025**	**2,026**	**2,025**	**2,026**	**2,025**
Sales Revenue	23,068.80	46,000.85	4,790.09	5,196.72	27,858.89	51,197.57
Segment Results	(10,194.45)	(15,394.46)	(1,675.62)	(1,407.68)	(11,870.06)	(16,802.14)
Unallocated Corporate Expenses	0.00	0.00	0.00	0.00	0.00	0.00
Unallocated Corporate Income	0.00	0.00	0.00	0.00	0.00	0.00
Operating Profit	(10,194.45)	(15,394.46)	(1,675.62)	(1,407.68)	(11,870.06)	(16,802.14)
Interest Expenses	3,866.24	3,352.97	0.00	0.00	3,866.24	3,352.97
Net Operating Income	(14,060.69)	(18,747.43)	(1,675.62)	(1,407.68)	(15,736.31)	(20,155.11)
Profit / Loss form Ordinary Activities	(14,060.69)	(18,747.43)	(1,675.62)	(1,407.68)	(15,736.31)	(20,155.11)
Extra Ordinary Item	0.00	0.00	0.00	0.00	0.00	0.00
Net Profit / Loss	(14,060.69)	(18,747.43)	(1,675.62)	(1,407.68)	(15,736.31)	(20,155.11)
OTHER INFORMATION					0.00	0.00
Segment Assets	1,138,654.08	1,161,283.35	48,767.13	45,661.84	1,187,421.21	1,206,945.18
Segment Liabilities	44,607.90	48,395.57	0.00	0.00	44,607.90	48,395.57
Net Depreciation	6,599.74	6,853.70	6,465.71	6,238.17	13,065.45	13,091.87

Power generated in solar division 14,91,913 units consumed captive for spinning division, valued at Rs.47.90 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 or risks and rewards vary depending on the individual terms of contract of sale. Revenue from sale of goods is stated inclusive of GST, amounts collected on behalf of third partiesand net of returns, trade allowances and rebates.

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 isbooked as expenditure being used at the prevailing rates as if purchased from MSEDCL.

Dividends from investment are recognized as income for 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 assetis 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.

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 ofanasset'sfair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are compared at the lowest levels for which thereare separately identifiable cash inflows which are largely independent of the cash inflowsfrom 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 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 109Financial 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 setas 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 GSTeligible 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 out 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 at their 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 own 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 the end of each financial year 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 duewithin12 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 effectives 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 the facility will be drawn down. In this 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:

Provisionsare 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 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.

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 are calculated by dividing:
   - The profit attributable to owners of the company
   - By the weighted average number of equities 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 31.03.2026)

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) Additions during the year (Receipts) Sums paid on behalf of the Company by director Interest Payable Cr (net of TDS deduction) Payments made	42,377 1,480 833 3,412 8,394	Cr	39,708	Nil
Kamal K Katare	Son of Managing Director	Opening Balance (Cr) Salary Credited Amount Paid	60 120 150	Cr	30	Nil
Kamal Marketing Pvt Ltd (Trade)	Associate Enterprise	Opening Balance (Cr) Purchase of yarn (Including GST) Sales of yarn (Including GST) Receipts in Bank Payments made	0 19,355 19,323 0 31	Cr	0	Nil
Katare Cotton Waste Spg Mills	Associate Enterprise	Opening Balance (Dr) Payment made Receipts in Bank Payments made	4,940 0 0 0	Dr	4,940	Nil
Kamala Co Op Bank	Enterprise where KMP has Significance Influence/ Control	OD Facility with Bank	660	Cr	573	Nil
		FD with Bank	790	Dr	732	Nil
		Shares	2	Dr	2	Nil
Sou Vidyavati K Katare	Director	Director Sitting Fees	8	Cr	7	NIL
Vilas Shendage	Director	Director Sitting Fees	8	Cr	7	NIL
Y N Konda	Director	Director Sitting Fees	8	Cr	7	NIL
Umakant Mahindrakar	Director	Director Sitting Fees	8	Cr	7	NIL
Rakesh V Katare(HotelDiv)	Son of Dcsed Director	Amount paid (Opening Balance Dr)	85	Dr	85	Nil
Kamala Sakhar Udyog Ltd	Associate Enterprise	Advance againts share application money	6	Dr	6	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 involve 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 expenses 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 irrevocable 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 ofrisks, 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: Market Risk 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 include 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 unsecured and are derived 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 principal 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 toconfirm 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/-

GANESH M PAWLE
Proprietor
ICAI Membership No :032561
Solapur,
UDIN: 26032561RACKEQ1249

Katare Spinning Mills Ltd.

SD/-

Kishore T Katare
Director
DIN 00645013

Note : 30 Earnings Per Share (EPS)

Particulars	31.03.2026	31.03.2025
a. Net Profit/Loss as per profit and loss a/c	-2,16,43,306	-1,73,04,110
b. Weighted average no. of equity shares	2850000	2850000
c. Earnings/(Loss) per share	-7.59	-6.07

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 31.03.2025	Arising during the year	Balance as on 31.03.2026
A. Deferred Taxation :			
- on account of timing difference in depreciation	11273.00	3386.00	7887.00
- Others	0.00	0.00	
Sub total A:	11273.00	3386.00	7887.00
B. Deferred Tax Assets			
- Unabsorbed depreciation and losses	9293.00	9293.00	0.00
- Disallowanes	0.00	0.00	0.00
- Provision for Bad & Doubtful Debts	0.00	0.00	0.00
Sub Total B :	9293.00	9293.00	0.00
C. Deffered Tax Assets/ Liab (B-A)	-1980.00	5907.00	-7887.00

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 classifiction / 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 : 30.05.2026
UDIN: 26032561RACKEQ1249

For and on behalf of the Board
Katare Spining Mills Ltd

SD/-
K T Katare
Managing Director
DIN 00645013
Place:Solapur
Date : 30.05.2026

SD/-
SOU V K KATARE
Director
DIN 1443784
Place:Solapur
Date : 30.05.2026

SD/-
K K Katare
CFO
SOLAPUR
Date : 30.05.2026

SD/-
BHAGYASHREE RAWANI
Company Secretary
M.No A647450
SOLAPUR
Date : 30.05.2026

KATARE SPINNING MILLS LTD
Audited Cash Flow Statement for the period ended 31.03.2026

Rs. In thousand

Sr . No.	Particulars	As at 31/03/2026	As at 31/03/2025
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	-15,736	-20,155
	Non cash adjustment to reconciled profit before tax to net cash flows :		
	Depreciation	13,065	13,092
	Profit on Sale of fixed Assets	0	-366
	Interest Expenditure	3,866	3,353
	Interest ,Rent & Other Non Operating Income	-8,445	-2,078
	Misc Non Cash Adjustemnts		0
	Operating profit before working capital changes	**-7,249**	**-6,155**
	Movements in working capital		
	Increase/(Decrease) in trade payables	-730	-703
	Increase/(Decrease) in trade payables (current)	-145	-164
	Increase/(Decrease) in other current liabilites	-330	311
	Increase/(Decrease) in other long term liabilites	0	-316
	Decrease/(Increase) in trade receivables	0	0
	Decrease/(Increase) in inventories	6,132	-289
	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	248	-244
	Decrease/(Increase) in other non-current assets	-34	1,703
	Decrease/(Increase) in other financial assets	0	0
	Decrease/(Increase) in trade receivables (current)	277	938
	Cash generated from / (used in) operations	**-1,831**	**-4,919**
	Direct taxes paid (net of refunds)	0	0
	Net cash flow from / (used in) operating activities (A)	**-1,831**	**-4,919**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchses of Fixed Assets, including intangible assets, CWIP & capital advances	-119	-1,935
	Proceeds from sale of Fixed Assets	0	870
	Increase/(Decrease) in trade payables Fixed Assets / Mylan	0	0
	Purchase of current investments	0	0
	Investment in bank deposits (having orignal maturity of more than three month	0	0
	Interest ,Rent & Other Non Operating Income	8,445	2,078
	Net Cash from / (used in) Investing Activities (B)	**8,326**	**1,013**
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	-2,583	7,303
	Interest Paid	-3,866	-3,353
	Dividend paid on equity shares	0	0
	Tax on equity dividend paid	0	0
	Net cash flow from / (used in) Financing Activiteis (C)	**-6,449**	**3,950**
	Net Increase/(Decrease) in cash & cash equivalants (A)+(B)+(C)	**45**	**45**
	Cash & Cash equivalants at the beginning of the period	755	711
	Cash & Cash equivalants at the end of the period	800	755

Components of Cash & Cash Equivalent :

Particulars	As at 31/03/2026	As at 31/03/2025
Bank Balance with Bank	0	15
Cash in hand	10	7
	10	22
Deposits	790	732
Total	**800**	**755**

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

SD/-
GANESH M PAWLE
Propritor
ICAI Membership No. 032561
Place : Solpaur
Date : 30.05.2026
UDIN : : 26032561RACKEQ1249

For and on behalf of the Board
Katare Spinning Mills Ltd.

SD/-	SD/-
K.T.KATARE	**SOU V.K.KATARE**
Managing Director	**Director**
DIN : 00645013	**DIN : 1443784**
Place : Solapur	**Place : Solapur**
Date : 30.05.2026	**Date : 30.05.2026**

SD/-	
K.K. KATARE	**BHAGYASHREE RAWANI**
CFO	**Company Secretary**
	M.NO.A64745
Place : Solapur	**Place : Solapur**
Date : 30.05.2026	**Date : 30.05.2026**

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

46TH ANNUAL GENERAL MEETING – SATURDAY, 26th SEPTEMBER, 2026

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 SIXTH ANNUAL GENERAL MEETING" of the Company held on Saturday, 26th September 2026, 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

46TH ANNUAL GENERAL MEETING – SATURDAY, 26th SEPTEMBER, 2026

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 Sixth Annual General Meeting of the Company, to be held on the Saturday, 26th day of September, 2026 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:

Sr. No.	Description	For*	Against*
1	To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2026 and Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and the Auditors of the Company.		
2	To re-appoint Mr. Umakant Mahindrakar (DIN: 01233305), who retires by rotation and being eligible, seeks re-appointment.		
3	Appointment of M/s. Hiremath Patil Udgiri and Associates, Chartered Accountants (FR. No. 129856W, M. No. 131259 and Peer Review No. 024697) as the Statutory Auditors of the Company.		
4	Appointment of M/s. Hiremath Patil Udgiri and Associates, Chartered Accountants (FR. No. 129856W, M. No. 131259 and Peer Review No. 024697) as the Statutory Auditors of the Company to fill the casual vacancy.		
5	Additions in Main Objects Clause of Memorandum of Association of the Company.		
6	Continuation of Mr. Kishore T. Katare (DIN 00645013), as Chairman and Managing Director of the Company after attaining the age of 70 years.		

Affix
Revenue
Stamp

Signature of shareholder
Signed this ___________ day of __________ 2026

______________________ ______________________________

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

46TH ANNUAL GENERAL MEETING – SATURDAY, 26th SEPTEMBER, 2026
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 46th Annual General Meeting (AGM) by placing the **tick (√)** mark at the resolution below:

Sr. No.	Description	For*	Against*
1	To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2026 and Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and the Auditors of the Company.		
2	To re-appoint Mr. Umakant Mahindrakar (DIN: 01233305), who retires by rotation and being eligible, seeks re-appointment.		
3	Appointment of M/s. Hiremath Patil Udgiri and Associates, Chartered Accountants (FR. No. 129856W, M. No. 131259 and Peer Review No. 024697) as the Statutory Auditors of the Company.		
4	Appointment of M/s. Hiremath Patil Udgiri and Associates, Chartered Accountants (FR. No. 129856W, M. No. 131259 and Peer Review No. 024697) as the Statutory Auditors of the Company to fill the casual vacancy.		
5	Additions in Main Objects Clause of Memorandum of Association of the Company.		
6	Continuation of Mr. Kishore T. Katare (DIN 00645013), as Chairman and Managing Director of the Company after attaining the age of 70 years.		

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. MUFG Intime India Pvt. Ltd. (Formerly known as Link Intime 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.

Book-Post

To,

स्वच्छ भारत

एक कदम स्वच्छता की ओर

from :

Katare Spinning Mills Ltd.

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