

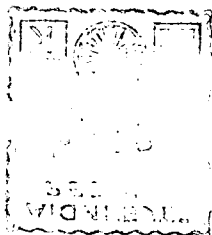
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# CHITRADURGA SPINTEX LIMITED

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*Sixth  
Annual Report  
1996-97*



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# CHITRADURGA SPINTEX LIMITED.

## BOARD OF DIRECTORS

<b>Shri S.Rajasekharappa</b>	Chairman
<b>Shri S.Chandrashekar</b>	Director
<b>Shri K.S.Sathyanarayana</b>	KSIIDC Nominee
<b>Shri C. Lokeshappa</b>	KSFC Nominee
<b>Shri S.Vishwanath</b>	Managing Director.

## WORKS & REGISTERED OFFICE

Bangalore Road,  
Siddapura Village,  
Challakere-577 522.  
Karnataka State.

## AUDITORS

**M/s. H.M.V. Murthy & Co.,**  
Chartered Accountants,  
No. 417, III Floor,  
No. 9, J.C. Road,  
BANGALORE-560 002.

## BANKERS

STATE BANK OF MYSORE.

## SHARE TRANSFER AGENTS

**M/s. Karnataka Financial Services Ltd.,**  
No. 29, Hospital Road,  
BANGALORE - 560 001.

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*Chitradurga Spintex Limited***NOTICE**

Notice is hereby given that the 6th Annual General Meeting of the Company will be held at Bangalore Road, Siddapura Village, Challakere, Chitradurga Dist. Karnataka, Pin - 577 522 on 25th September 1997 at 11.00 a.m. to transact the following business.

01. To receive, consider and adopt the audited Balance Sheet as on 31st March 1997 and the Profit and Loss Account for the year ending 31st March 1997 together with the reports of the Auditors and Directors thereon.
02. To appoint Auditors and fix their remuneration.

Place : Bangalore  
Date : 14.08.1997

By order of the Board  
**S. Rajasekharappa**  
Chairman.

**NOTES:**

1. A member entitled to attend vote at the meeting may appoint instead of himself. Proxies in order to be effective must be lodged with the Company at its registered office at least 48 hours before the commencement of the meeting.
2. The Register of members and the Share Transfer books of the Company will remain closed from 17.09.1997 to 25.09.1997 (both days inclusive).
3. Members seeking any information with regard to Accounts are requested to write to the Company at least 7 days before the date of the meeting so as to enable the Management to keep information ready.
4. Members are requested to bring their Copies of Annual Report and Attendance slip duly filled for attending the Meeting.

## DIRECTORS REPORT

Your Directors have pleasure in presenting their 6th Annual Report and the Audited Accounts for the year ended 31-03-1997.

### FINANCIAL RESULTS:

	(Rupees in lakhs)	
	Year ended 31-03-97	Year ended 31-03-96
Sales & Other Income	812.28	613.07
Gross Profit from operation	25.17	46.43
Depreciation	21.32	20.26
Net Profit	3.85	26.17
Profit brought forward	88.04	63.50
Balance carried forward	91.11	88.04

### DIVIDEND:

With a view to conserve the resources of the company the directors do not propose to recommend any dividend.

### OPERATIONS:

During the year under review, the Company faced a difficult working environment. But compared to previous year the results are better. Due to unbalanced fluctuations in the prices of raw material and finished goods your Company could not make expected target. Your Company has replaced new 320 KVA DG set in the place of old 320 KVA DG set to take better advantage. Your Company also installed chute feeding system to blow room line at a cost of Rs.26.00 lakhs to improve quality of finished goods and also production.

### PROJECTIONS VERSUS PERFORMANCE:

In terms of clause 43 of the Listing Agreement, your Directors give below the actual performance for 1996-1997 as against the projections made in the prospectus.

	(Rs.x in Lakhs)	
	Projections	Actuals
Total Income	1530.00	812.28
Net Profit	179.88	3.33
EPS	3.90	0.07

The projected targets could not be achieved due to high fluctuations in the prices of Raw materials and Finished goods, heavy power cuts low demand in Finished goods, and on the other hand heavy decrease in the prices of finished goods.

### FUTURE PROSPECTS:

Your Company is working well during the current financial year 1997-98 and with the new setup your Company's performance for the current financial year 1997-98 will be better.

### PARTICULARS OF EMPLOYEES:

During the year there was no employee drawing remuneration beyond the limits prescribed under section 217(2A) of the Companies Act, 1956.

### FOREIGN EXCHANGE EARNING AND OUT GO:

**Earnings:** Export of Yarn(FOB value)(including merchant export of Rs.23,89,950) Rs. 23,89,950. Previous year (including merchant export of Rs.8,10,136) Rs. 12,32,336.

**Outgo:** Towards Capital goods(CIF Value) Rs. 3,55,951. Previous Year Rs. 4,16,616

### CONSERVATION OF ENERGY:

Disclosure in respect of conservation of energy in form A is Annexed.

### TECHNOLOGY ABSORPTION:

There is no technology absorption during the year.

### PROVIDENT FUND:

Your Company has been remitting Employees Provident Fund regularly to the Department.

### AUDITORS:

M/s. H.M.V. Murthy & Co., Chartered Accountants, retire as Auditors of the Company and are eligible for re-appointment.

### ACKNOWLEDGEMENTS:

The board wishes to express its thanks to the share holders for their continuing confidence in the management and the company. The Board expresses its gratitude to all financial institutions, Banks, and the State and central government for their help and co-operation. The Board also thanks the employees of the company for their dedication and contribution to the growth of the company.

Place: Bangalore

for and on behalf of the  
Board of Directors

Date :14.08.97

Chairman.

## FORM - A

### PART-A

#### POWER AND FUEL CONSUMPTION:

	1996-97	1995-96
A) Electricity:		
Units in lakhs	8.43	10.06
Total amount Rs. in lakhs	29.49	26.76
Rate/unit(Rs.)	3.50	2.66
B) Own Generation:		
(Through D.G.)		
Units in lakhs	6.10	3.08
Units per ltr. of diesel	3.20	3.00
Cost/unit(Rs.)	2.77	2.83

### PART-B

#### CONSUMPTION PER UNIT OF PRODUCTION:

a) Electricity	}	Per Kg. of Yarn	2.88	1.30
b) Own Generator				