

MD	✓		BKC	✓
CS	MP		DPY	MA
RO	✓		DIV	MA
TRA	✓		AC	✓
AGM	✓	✓	EL	✓
YE	✓	✓		



# CHITRADURGA SPINTEX LIMITED

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*Seventh  
Annual Report  
1997-98*



# CHITRADURGA SPINTEX LIMITED

## BOARD OF DIRECTORS

Shri S.Rajasekharappa	Chairman
Shri S.Chandrashekar	Director
Shri K.S.Sathyanarayana	KSIIDC Nominee
Shri A.K.Rajendra	KSFC Nominee
Shri S.Vishwanath	Managing Director.

## WORKS & REGISTERED OFFICE

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

## AUDITORS

M/s. H.M.V. Murthy & Co.,  
Chartered Accountants,  
BANGALORE-560 002.

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## 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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**NOTICE**

Notice is hereby given that the 7th Annual General Meeting of the Company will be held at the Registered Office at Bangalore Road, Siddapura Village, Challakere, Chitradurga Dist. Kamataka, Pin - 577 522 on 25th September 1998 at 11.00 a.m. to transact the following business.

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance sheet as on 31st March 1998 and the Profit and Loss Account for the year ending 31st March 1998 together with the reports of the Auditors and Directors thereon.
2. To appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS**

3. To appoint Directors in Pursuance of Article 11 of the Articles of Association of the Company.

Place : Challakere

Date : 12.08.1998

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

**NOTES:**

1. A member entitled to attend and vote is entitled to appoint a proxy and vote instead of himself and proxy need not be a member of the Company. 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 17.09.1998 to 25.09.1998 (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. A person who desires to contest for election may deliver or cause to get delivered his nomination, along with a deposit of Rs.500/- by DD drawn in the name of the Company, at Company's Registered Office before 10.09.1998.
5. Members are requested to bring their Copies of Report and Attendance slip duly filled for attending the Meeting.
6. An explanatory Statement U/s173 of the Companies Act, 1956 is annexed.

**EXPLANATORY STATEMENT U/S 173 (2) OF COMPANIES ACT, 1956.****Item No.3**

Article 11 adopts the provisions contained in section 265 of the Companies Act, 1956, relating to appointment of Directors once in every 3 years, according to the principle of proportional representation.

The Board was last constituted at the 4th Annual General Meeting held in the year 1995.

The Board consists of Mr.S.Rajasekharappa, Mr.S.Vishwanath and Mr.S.Chandrasekhar, Mr. K.Sathyanarayana KSIIDC Nominee, MR.A.K.Rajendra, K.S.F.C. Nominee, Mr.S.Vishwanath is a non retiring Director. Mr.S.Rajasekharappa and S.Chandrasekhar retire at this Annual General Meeting and are eligible for re-election. Notice u/s 257 of the Companies Act, 1956, in connection with the re-election of these directors have been received by the Company.

All the Directors except the Nominee Directors may be deemed to be interested in this respective resolution.

## Annual Report 1997-98

**DIRECTORS REPORT**

Your Directors have pleasure in presenting their 7th Annual Report and Audited Accounts for the year ended 31.03.1998.

**FINANCIAL RESULTS:**

	(Rupees in lakhs)	
	Year ended	Year ended
	31-03-98	31-03-97
Gross Profit from operation	28.52	25.17
Depreciation	23.58	21.32
Net Profit	4.94	3.85
Profit brought forward	91.11	88.04
Balance carried forward	95.53	91.11

**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 market environment. Due to relentless rise in the cost of Production on the one hand and unremunerative prices of yarns on the other on account of demand recession, the company could not achieve expected target.

Your Company is working well during current financial year 1998-99. Your Company has now found new solutions for sourcing Raw materials and has tapped new markets for selling its finished goods.

**PROJECTIONS VERSES PERFORMANCE:**

In terms of clause 43 of the Listing Agreement, your Directors give below the actual performance for 1997-98 as against the projections made in the prospectus.

Total Income	1720.00	704.40
Net Profit	212.78	4.94
EPS	4.62	0.11

As Explained above relentless rise in the cost of production and unremunerative prices of yarns were responsible for the company's performance falling short of projections.

**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.35,92,800) Rs.35,92,800. (Previous Year Rs.23,89,950)

**Outgo:** Value of Imports (CIF value) Rs.3,54,216 (Previous Year Rs.3,55,951)

**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.

**ACKNOWLEDGMENTS:**

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:Challakere

for and on behalf of the  
Board of Directors

(S.Rajashakarappa)  
Chairman

Date:14.08.1998

**FORM-A****PART-A****POWER AND FUEL CONSUMPTION:**

	1997-98	1996-97
A) Electricity:		
Units in lakhs	9.29	8.43
Total Amount Rs. in Lakhs	35.52	29.49
Rate/unit(Rs.)	3.77	3.50
B) Own Generation:		
(Through D.G.)	3.98	6.10
Units in lakhs	3.36	3.20
Units Per Diesel ltr. of Diesel	3.27	2.77
Cost/ Unit ( Rs.)		

**PART-B****CONSUMPTION PER UNIT OF PRODUCTION:**

a) Electricity		
b) Own Generator	0.88	0.90