



Chitradurga Spintex Limited

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**Tenth Annual Report
2000-2001**

Annual Report 2000-2001

CHITRADURGA SPINTEX LIMITED

BOARD OF DIRECTORS :

Sri.S.RAJASEKHARAPPA
Sri.S.CHANDRASHEKAR
Sri.K.S.SATHYANARAYANA
Sri.A.K.RAJENDRA
Sri.S.VISHWANATH

Chairman
Director
KSIIDC Nominee
KSFC Nominee
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.

BANKERS :

STATE BANK OF MYSORE

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NOTICE

Notice is hereby given that the 10th Annual General Meeting of the Company will be held at the Registered Office at Bangalore Road, Siddapura Village, Challakere, Chitradurga Dist. Karnataka, Pin - 577 522 on 25th September 2001 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 2001 and the Profit and Loss Account for the year ending 31st March 2001 together with the reports of the Auditors and Directors thereon.
2. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

1. To appoint Directors in pursuance of Article 11 of the Articles of Association of the Company.

Place:Challakere
Date : 30.7.2001

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 20.09.2001 to 25.09.2001 (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 alongwith a deposit of Rs.500 by DD drawn in favour of the company, at companies registered office before 10.09.2001.
5. Members are requested to bring their Copies of Report and Attendance slip duly filled for attending the Meeting.
6. An explanatory note U/s 173 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 three years according to the principle of the proportional representation.

The Board was last constituted at the 7th Annual General Meeting held in the year 1998.

The Board consists of Mr.S.Rajasekharappa, Mr.S.Vishwanath, and Mr.S.Chandrashekar, Mr.K.Sathyanarayana KSIIDC nominee, Mr.A.K.Rajendra KSFC nominee, Mr.S.Vishwanath is a non retiring Director. Mr.S.Rajasekharappa and Mr.S.Chandrashekar 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.

Place:Challakere
Date : 30.7.2001

By order of the Board
S.Rajasekharappa
Chairman

DIRECTORS REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the 10th Annual Report of the Company together with the Audited statement of Accounts for the year ended 31.03.2001

FINANCIAL RESULTS:

	(Rupees in lakhs)	
	2000-01	1999-00
Sales & Other Income	584.95	507.84
Profit/Loss before interest & Depreciation	27.63	47.96
Interest	53.91	49.13
Depreciation	23.65	23.45
Profit/Loss for the year	49.93	-24.62
Profit/Loss brought forward	2.30	
Profit/Loss carried forward	-74.37	-22.36

OPERATIONS:

The agricultural sector has performed poorly during the previous two years i.e., 1999-00 and 2000-01. As a result industrial sector has suffered due to inadequate demand during 2000-01 and the situation is unlikely to improve during 2001-02 in view of the continued lower agricultural growth during 2000-01.

This year also the Company operated at reduced production due to continued adverse conditions in domestic and overseas cotton yarn market. Due to raising production costs, yield barriers the profitability of the Company has decreased. Your directors will continue to try their best to improve the company's performance.

DIVIDEND

In view of the inadequacy of profits, it is proposed not to pay dividend.

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: Rs. 44.92 (Previous Year Nil)

Outgo: Rs. Nil (previous year 2,15,217)

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements u/s 217 AA of the Companies, Act 1956, the Board of Directors of the Company hereby state and confirm that:

- i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) the Directors have selected accounting policies and applied them consistently and made judgements 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 Loss of the Company for the year under review.

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III) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) the Directors have arranged preparation of the accounts for the financial year ended 31st March 2001 on a "going concern" basis.

AUDITORS:

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

LISTING:

The shares of the company is listed at The Bangalore Stock Exchange, Bangalore, The Madras Stock Exchange, Chennai, The Stock Exchange, Mumbai, The Stock Exchange, Ahmedabad.

ACKNOWLEDGEMENTS:

The Board desires to place on record its appreciation for the co-operation and continued support extended to the Company by all financial institutions, Banks, and the State Government and Central Government. The Board also wishes to thank the Companies members and esteemed business associates for their valuable contribution and support. The Directors of your Company are pleased to place on record their appreciation for the sincere services rendered by the staff and workers at all level.

For and on behalf of the Board of Directors

(S.RAJASHEKARAPPA)

Chairman

Place:Challakere

Date: 30.7.2001

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

Disclosure of particulars with respect to conservation of Energy.

A)	Electricity:	2000-01	1999-00
	Units in lakhs	Nil	0.42
	Total Amount Rs. in Lakhs	Nil	1.89
	Rate/unit (Rs.)	Nil	4.49
B)	Own Generation:		
	(Through D.G)		
	Units in lakhs	10.29	9.29
	Units per ltr. Of Diesel	3.43	3.44
	Cost/Unit (Rs)	5.18	4.01

ADDENDUM TO DIRECTORS' REPORT

The auditors observations on the accounts have been extensively dealt with in the notes and since they are self explanatory, they are not commented upon.

For and on behalf of the Board of Directors

(S.RAJASHEKARAPPA)

Chairman

Place:Challakere

Date: 30.7.2001