



# **Chitradurga Spintex Limited**

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**Eleventh Annual Report  
2001-2002**

Annual Report 2001-2002

## CHITRADURGA SPINTEX LIMITED

<b>BOARD OF DIRECTORS :</b>	<b>Sri S. RAJASEKHARAPPA</b>	Chairman
	<b>Sri S. CHANDRASHEKAR</b>	Director
	<b>Sri K. S. SATHYANARAYANA</b>	KSIIDC Nominee
	<b>Sri A. K. RAJENDRA</b>	KSFC Nominee
	<b>Sri 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  
 BANGALORE-560 002

**BANKERS :**  
 STATE BANK OF MYSORE

**SHARE TRANSFER :**  
 At the Company's Registered Office

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**NOTICE**

Notice is hereby given that the 11th 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 30th September 2002 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 2002 and the Profit and Loss Account for the year ending 31st March 2002 together with the reports of the Auditors and Directors thereon.
2. To appoint Auditors and fix their remuneration.

Place : Challakere  
Date : 30.08.2002

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 24.09.2002 to 30.09.2002 (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 Report and Attendance slip duly filled for attending the Meeting.

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## DIRECTORS REPORT

### TO THE MEMBERS :

Your Directors have pleasure in presenting the 11th Annual Report of the Company together with the Audited statement of Accounts for the year ended 31.03.2002

### FINANCIAL RESULTS :

		(Rupees in lakhs)
	2001-02	2000-01
Sales & Other Income	642.77	584.95
Profit/ Loss before interest & Depreciation	13.33	27.63
Interest	23.16	53.91
Depreciation	23.67	23.65
Profit/Loss for the year	-33.49	-49.93
Profit/Loss brought forward	-74.37	2.30
Profit/Loss carried forward	-107.86	-74.37

### OPERATIONS :

This year also the working results were adversely affected due to the fluctuation in the raw material prices, disparate in selling prices, and hike in overhead cost. The Company has resorted to reduced production due to slack in demand for cotton yarn due to continued adverse condition in domestic and overseas cotton yarn markets. Even though there is a increase in sales, the company's profitability is not improved.

The prospectus for the current year depends mainly upon the future market conditions. Your directors will try their best to improve the companies 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.136.87 (Previous Year 44.92)  
Outgo:Rs.Nil (previous year Nil)

### 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

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the Company at the end of the financial year and of the Loss of the Company for the year under review.

- 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 2002 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, and 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

Place: Challakere

Date: 30.8.2002

(S. RAJASHEKARAPPA)

Chairman

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

Disclosure of particulars with respect to conservation of Energy.

A) Electricity:	2001-02	2000-01
Units in lakes	Nil	Nil
Total Amount Rs. in Lakes	Nil	Nil
Rate/unit (Rs.)	Nil	Nil
B) Own Generation: (Through D.G)		
Units in lakhs	12.47	10.29
Units per ltr. Of Diesel	3.42	3.43
Cost/Unit (Rs)	4.96	5.18

**ADDENDUM TO DIRECTORS' REPORT:****Directors' Replies to Auditors' Qualifications**

Non-provisioning of interest on term loans and inter-corporate loans

The Company has made an application to the financial institution for one-time-settlements and sanction of the same is expected shortly. Hence, your Directors thought it fit not to make any provisions for the said interest.

**Contingent Liabilities**

The information given in notes on accounts (Point No. 4) is self-explanatory.

For and on behalf of the Board of Directors

Place: Challakere

Date: 30.08.2002

(S. RAJASHEKARAPPA)

Chairman