

CHITRADURGA SPINTEX LIMITED



26TH
ANNUAL REPORT (2016-17)

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BOARD OF DIRECTORS

Mr. Shivanna Vishwanath	Managing Director
Mr. Shivanna Rajasekharappa	Executive Director & CFO
Mr. Shivanna Chandrashekhar	Non-Executive Director
Mr. Thippeswamy Siddappa Thippeswamy	Independent Director
Mr. Thippeswamy Sadashivamurthy	Independent Director
Mr. Prasannakumar Siddappa	Independent Director
Ms. Namrata Subhash Malu	Independent Director

REGISTERED OFFICE

Add P.B.No. 9, Bangalore Road, Siddapura Village,
Challakere – 577522 - Karnataka
Tel. No. 08195-222258
Fax No. 08195-222336
Website www.chitraspinltd.com
Email chitraspin@gmail.com

AUDITORS**MR. CHETAN N. DEDHIA**

Chartered Accountants

Add 48, Patwa Chambers, 104/108 Clive Road,
Masjid Bunder, Mumbai - 400 009
Tel No. +91-22-23481354
Fax +91-22-23484334
Email cachetandedhia@gmail.com

REGISTRARS & SHARE TRANSFER**CANBANK COMPUTER SERVICES LIMITED**

Add 218, J P Royale, 1st Floor, 2nd Main Sampige
Road, (Near 14th Cross) Malleshwaram,
Bangalore – 560003
Tel No. 080 - 23469661 / 62/ 64
Web www.canbankrta.com
Email canbankrta@ccsl.co.in

ANNUAL GENERAL MEETING

Day Friday
Date 22nd September, 2017
Venue P.B No. 9, Bangalore Road, Challakere,
Karnataka – 577522
Time 11.00 AM

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CHITRADURGA SPINTEX LIMITED**Registered office:** P B No. 9, Bangalore

Road, Challakere, Karnataka – 577522

CIN:L85110KA1990PLC011467**Email:** chitraspin@gmail.com**Tel. No. :** 08195-222258**Fax. No. :** 08195-222336**NOTICE TO THE MEMBERS**

NOTICE is hereby given that the 26th Annual General Meeting of the Members of **CHITRADURGA SPINTEX LIMITED** will be held on **Friday, 22nd September, 2017** at **11.00 AM** at P.B. No. 9, Bangalore Road, Challakere, Karnataka - 577522 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2017, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Shivanna Chandrashekhar (01607605) who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify appointment of Auditor

“RESOLVED THAT pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Audit and Auditors) Rules, 2014 (“Rules”) (including any statutory modification or re-enactment thereof, for the time being in force), the Company hereby ratifies the appointment of Mr. Chetan Dedhia, Chartered Accountant, (Membership No. 044402), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company to be held in the year 2018 to examine and audit the accounts of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

By Order of the Board of Directors

Place: Challakere**Date: 14th August, 2017****S. Rajasekharappa****Chairman****REGISTERED OFFICE:**

P B No. 9, Bangalore Road, Challakere
Karnataka – 577522

NOTES

1. A statement giving the relevant details of the Director seeking re-appointment under Item No. 2 of the accompanying Notice.
2. 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. Proxies in order to be effective must be received by the Company not later than Forty Eight (48) hours before the Meeting. Proxies submitted on behalf of Limited Companies, Societies, etc., must be supported by appropriate resolutions/authority, as applicable.

A person can act as proxy on behalf of Members not exceeding Fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.

4. 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 at the Meeting.
5. Share Transfer Books of the Company will remain closed from 16th September, 2017 to 22nd September, 2017 (both days inclusive) for the purpose of Annual General Meeting (AGM) of the Company to be held on 22nd September, 2017.
6. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
7. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
8. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the Meeting.
9. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its Members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants.
10. Members who hold shares in physical form are requested to send their e-mail address to the following: chitraspin@gmail.com.
11. The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Registrar i.e. M/s. Canbank Computer Services Limited, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
13. E-Voting process
 - 1) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to its members, to exercise their right to vote electronically (on resolution proposed to be considered at the 26th AGM to be held on Friday, 22nd September, 2017) and the business may be transacted through e-voting services. The Company has engaged the services of the National Securities Depository Limited (NSDL) to provide the e-voting facility. The Notice is displayed on the Company's website and on the website of NSDL.
 - 2) The facility for voting through 'electronic voting system' or 'ballot (Poll) paper' will be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through such electronic voting system/ ballot(Poll) paper.

Please read the below mentioned instructions before casting your vote:

These details and instructions form an integral part of the Notice for the 26th Annual General Meeting of the Company to be held on 22nd September, 2017.

3) The process and manner of remote e-voting are as under:

- A. For Members whose email IDs are not registered with the Company/Depository Participants and who have received physical copies of the documents, the following e-voting particulars are provided:

EVEN (Remote e-voting event number)	User ID	Password/PIN
107113	Use the existing user id and password	

- B. For members whose email IDs are registered with the Company/Depository Participants, the e-voting particulars will be sent by NSDL by e-mail. Open the e-mail and open the PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. Note: Shareholders already registered with NSDL will not receive the pdf file "remote e-voting pdf". Please refer point No. 6 below.
- C. Launch your internet browser and type the following URL: <https://evoting.nsdl.com/>
- D. Launch your internet browser and type the following URL: <https://evoting.nsdl.com/>
- E. Enter the user ID and password as initial password/PIN as provided in step (A)/(B) above. Click Login.
- F. Password change menu will appear. Change the password/PIN with a new password of your choice with minimum 8 digits/characters or combination thereof. Note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- G. The home page of remote e-voting will open. Click on remote e-voting: **Active Voting Cycles**.
- H. Select "**EVEN**" (E-Voting Event Number) of "**Chitradurga Spintex Ltd.**".
- I. Now you are ready for remote e-voting as '**Cast Vote**' page opens.
- J. Cast your vote by selecting appropriate option and click on "**Submit**" and also "**Confirm**" when prompted.
- K. Upon confirmation, the message "**Vote cast successfully**" will be displayed.
- L. Once you have voted on the resolution, you will not be allowed to modify your vote.
- M. Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to ravi@ccsl.co.in with a copy marked to evoting@nsdl.co.in

4) The remote e-voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
19th September, 2017 at 9:00 am	21st September, 2017 at 5:00 pm

During this period members of the Company holding shares either in physical form or in dematerialized form as on the cut-off date i.e., 15th September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting after 5:00 pm on 21st September, 2017. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

- 5) In case of any queries, you may refer the Frequently Asked Questions (FAQs) and remote e-voting user manual for Members available at the 'Downloads' section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- 6) If you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password/PIN for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" OR "Physical User Reset Password" option available on www.evoting.nsdl.com In case shareholders holding shares in demat mode, User ID is the combination

of 'DPID + Client ID' and in case of those holding shares in physical mode, User ID is the combination of 'EVEN + Folio number'.

- 7) You can also update your mobile number and e-mail ID in the user profile details of the folio, which may be used for sending future communication(s).
- 8) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e., 15th September, 2017.
- 9) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 15th September, 2017, may obtain the login ID and password by sending a request at **evoting@nsdl.co.in** or **ravi@csl.co.in**.
- 10) A member may participate in the AGM even after exercising his right to vote through remote e-voting, but shall not be allowed to vote again at the AGM.
- 11) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through electronic voting system/ ballot (poll) paper.
- 12) Payal Tachak, Practicing Company Secretary (Membership No. ACS 38016, C. P. No. 15010) of Payal Tachak & Associates, Mumbai, has been appointed as the Scrutinizer for providing facility to the members of the Company, to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- 13) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of '**electronic voting system**' or '**Ballot Paper**' for all those members who are present at the AGM and have not cast their votes by availing the remote e-voting facility.
- 14) The Scrutinizer shall, after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and shall submit not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- 15) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

ANNEXURE TO ITEM NO. 2 OF THE NOTICE

Details of Director seeking re-appointment at the forthcoming Annual General Meeting

Name of the Director	Mr. Shivanna Chandrashekhar
Director Identification Number (DIN)	01607605
Date of Birth	06 th July, 1946
Nationality	Indian
Date of Appointment on Board	17 th May, 1995
Qualification	Graduation
Shareholding in the Company	2557
List of Directorships held in other Companies	1. Chitradurga Sunflower Oil Complex Private Limited
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	NIL

Place: Challakere
Date: 14th August, 2017

By Order of the Board of Directors

S. Rajasekharappa
Chairman

DIRECTOR'S REPORT

To,
The Members,

Your Directors have pleasure in presenting their 26th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2017.

1. FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY

The Board's Report shall be prepared based on the standalone Financial Statements of the Company.

[In Rs.]

Particulars	2016-17	2015-16
Gross Income	13,42,264	10,92,175
Profit / (Loss) Before Interest and Depreciation	(1,14,084)	2,63,918
Finance Charges	--	--
Gross Profit/(Loss)	(1,14,084)	2,63,918
Provision for Depreciation	--	--
Extraordinary Item	--	--
Net Profit/(Loss) Before Tax	(1,14,084)	2,63,918
Provision for Tax	--	65,857
Net Profit/(Loss) After Tax	(1,14,084)	1,98,061
Balance of Profit brought forward	--	--
Balance available for appropriation	--	--
Proposed Dividend on Equity Shares	--	--
Tax on proposed Dividend	--	--
Transfer to General Reserve	--	--
Surplus carried to Balance Sheet	(1,14,084)	1,98,061

2. COMPANY'S PERFORMANCE AFFAIR

Your Directors are positive about the Company's operations and making best efforts to implement the cost reduction measures to the feasible extent.

3. DIVIDEND

Considering the present financial status of the Company, your directors do not recommend any dividend for the year under report.

4. RESERVES AND SURPLUS

The balance of Profit & Loss statement amounting to Rs. (1,14,084)/- for Financial Year under review is transferred to reserves. The total reserves for the Financial Year 2016-17 is Rs. 73,36,860/-

5. SHARE CAPITAL

The total paid up share capital of the Company as on 31st March, 2017 is Rs. 46,10,300/- comprising of 4,61,030 Equity Shares of Rs. 10/- each.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

7. MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year **4 (Four)** Board Meetings and **4 (Four)** Audit Committee Meetings were convened and held. The details of which are given as under.

Sr. No.	Date	Sr. No.	Date
Board Meeting		Audit Committee	
1.	30 th May, 2016	1.	30 th May, 2016
2.	10 th August, 2016	2.	10 th August, 2016
3.	11 th November, 2016	3.	11 th November, 2016
4.	14 th February, 2017	4.	14 th February, 2017

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

8. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committee.

9. COMMITTEES OF THE BOARD

There are currently three committees of the Board, as following:

1) Audit Committee

The Audit Committee of the Company reviews the reports to be submitted with the Board of Directors with respect of auditing and accounting matters. It also supervises the Company's financial reporting process.

The Audit Committee comprises of **3 (Three)** Directors. The Chairman of the Audit Committee is a Non-executive and Independent Director. The Composition of the Audit Committee is as under:

Sr. No.	Name	Category	Designation
1	Mr. Prasannakumar Siddappa	Independent Director	Chairman
2	Mr. Thippeswamy Siddappa Thippeswamy	Independent Director	Member
3	Mr. Shivanna Chandrashekhar	Non- Executive Director	Member

2) Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of **3 (Three)** Directors.

Sr. No.	Name	Category	Designation
1	Mr. Prasannakumar Siddappa	Independent Director	Chairman
2	Mr. Thippeswamy Siddappa Thippeswamy	Independent Director	Member
3	Mr. Shivanna Chandrashekhar	Non- Executive Director	Member

3) Stakeholders Relationship Committee

The composition of the Stakeholders Relationship Committee is as under:

Sr. No.	Name	Category	Designation
1	Mr. Shivanna Chandrashekhar	Non- Executive Director	Chairman
2	Mr. Prasannakumar Siddappa	Independent Director	Member
3	Mr. Thippeswamy Siddappa Thippeswamy	Independent Director	Member

10. REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.