

CHITRADURGA SPINTEX LIMITED



28TH
ANNUAL REPORT (2018-19)

BOARD OF DIRECTORS

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

Resigned w.e.f. 14th August, 2018

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

MNT & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

Add Office No. 1, "A" Wing, Vijay
Apartment CHS. Ltd. LBS Marg,
Panchpakhadi, Thane (W) - 400602

Tel No. 022-25379096/97/98

Email ca.nishit.tanna@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 Monday

Date 30th September, 2019

Venue P B No. 9, Bangalore, Road, Challakere, Karnataka - 577522

Time 11:00 A.M.

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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

Website: www.chitraspinltd.com

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 28th Annual General Meeting of the Members of **CHITRADURGA SPINTEX LIMITED** will be held on Monday, 30th September, 2019 at 11.00 A.M. 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 2019, 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 Rajasekharappa, (DIN 00900916) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. Re-Appointment of Mr. Prasannakumar Siddappa (DIN: 02752176) as an Independent Director

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Prasannakumar Siddappa (DIN: 02752176), a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office, for five consecutive years for a term up to the conclusion of the 33rd Annual General Meeting of the Company in the Calendar Year 2024.

By Order of the Board of Directors

Place: Challakere
Date: 29th August, 2019

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 and 3 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 24th September, 2019 to 30th September, 2019 (both days inclusive) for the purpose of Annual General Meeting (AGM) of the Company to be held on 30th September, 2019.
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 2018-19 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 28th AGM to be held on 30th September, 2019) and the business may be transacted through e-voting services. E-voting will commence on 27th September, 2019 at 09.00 A.M. IST and ends on 29th September, 2019 at 05.00 P.M. IST. 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 28th Annual General Meeting of the Company to be held on 30th September, 2019.

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

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.

c) For Members holding shares in Physical Form.

EVEN Number followed by Folio Number registered with the company
For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of "Chitradurga Spintex Ltd." for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Please remember that you are not allowed to modify your vote once you confirm your vote on the resolution

General Guidelines for shareholders

1. Institutional shareholders (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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to payaltachakandassociates@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in or contact Pallavi Mhatre, Assistant Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 04th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, at the designated email address or at telephone no. +91 22 24994545, who will also address grievances' connected with voting by electronic means.
4. 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).
5. 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., 23rd September, 2019.
6. 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. 23rd September, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or ravi@ccsl.co.in.
7. 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.
8. 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.
9. 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.
10. 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.
11. 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.

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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013**ITEM NO. 3**

Mr. Prasannakumar Siddappa (DIN: 02752176) was appointed as Independent Director of the Company..

In terms of provisions of Section 149 and 152 of the Companies Act, 2013, an Independent Director of a Company can be appointed for a term of 5 consecutive years and he shall not be liable to retire by rotation.

To comply with the above provisions, it is proposed to re-appoint Mr. Prasannakumar Siddappa (DIN: 02752176) as Independent Directors of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 33rd Annual General Meeting of the Company in the Calendar Year 2024, who shall not be liable to retire by rotation. Mr. Prasannakumar Siddappa (DIN: 02752176) has given the requisite declarations pursuant to Section 149 (7) of the Companies Act, 2013, to the effect that he meets the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013. The Company has also received notice along with requisite deposit under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested in the proposed resolution except Mr. Prasannakumar Siddappa to the extent of their appointment.

The Board recommends the Resolution as set out at item Nos. 3 of the Notice for your approval.

ANNEXURE TO ITEM NO. 2 AND 3 OF THE NOTICE

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

Name of the Director	Mr. Shivanna Rajsekharappa	Mr. Prasannakumar Siddappa
Director Identification Number (DIN)	00900916	02752176
Date of Birth	20 th June, 1950	20/07/1960
Nationality	Indian	Indian
Date of Appointment on Board	17 th May, 1995	29/01/2009
Qualification	BE	B. Com
Shareholding in the Company	NIL	NIL
List of Directorships held in other Companies	1. Chitradurga Sunflower Oil Complex Private Limited 2. The Margarine and Refined Oil Company Private Limited 3. Sunveer Consultancy Private Limited	NIL
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	NIL	NIL

Place: Challakere
Date: 29th August, 2019

By Order of the Board of Directors

S. Rajasekharappa
Chairman

DIRECTOR'S REPORT

To,
The Members,

Your Directors have pleasure in presenting their 28th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2019.

1. FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY

The Standalone financial statements for the year ended March 31, 2019 have been prepared in accordance with the Indian Accounting Standards (IND AS) notified under section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014. The financial statements under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014.

Financial Summary as under:

[Amount in Rs.]		
Particulars	2018-19	2017-18
Gross Income	-	-
Profit / (Loss) Before Interest and Depreciation	(7,67,920)	(7,04,383)
Finance Charges	-	-
Gross Profit/(Loss)	(7,67,920)	(7,04,383)
Provision for Depreciation	-	-
Extraordinary Item	-	-
Net Profit/(Loss) Before Tax	(7,67,920)	(7,04,383)
Provision for Tax	-	-
Net Profit/(Loss) After Tax	(7,67,920)	(7,04,383)
Other Comprehensive Income	4,24,143	4,52,649
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	(3,43,777)	(2,51,734)

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. (3,43,777)/- for Financial Year under review. The total reserves for the Financial Year 2018-19 is Rs. 67,41,349/-

5. SHARE CAPITAL

The total paid up share capital of the Company as on 31st March, 2019 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 **5 (Five)** 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.	28 th May, 2018	1.	28 th May, 2018
2.	14 th August, 2018	2.	14 th August, 2018
3.	01 st October, 2018	3.	14 th November, 2018
4.	14 th November, 2018	4.	13 th February, 2019
5.	13 th February, 2019		

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. Due to resignation of directors, the composition of the Committee was reconstituted as under;

Sr. No.	Name	Category	Designation
1	Mr. Prasannakumar Siddappa	Independent Director	Chairman
2	Ms. Namrata Malu*	Independent Director	Member
3	Mr. S. Rajshekharappa*	Executive Director	Member
4	Mr. Thippeswamy Siddappa Thippeswamy**	Independent Director	Member
5	Mr. Shivanna Chandrashekhar**	Non-Executive Director	Member

*Appointed w.e.f. 14th August, 2018

**Resigned from Directorship w.e.f. 14th August, 2018

2) Nomination and Remuneration Committee

Due to resignation of directors, the composition of the Committee was reconstituted as under;

Sr. No.	Name	Category	Designation
1	Mr. Prasannakumar Siddappa	Independent Director	Chairman
2	Ms. Namrata Malu*	Independent Director	Member
3	Mr. S. Rajshekharappa*	Executive Director	Member
4	Mr. Thippeswamy Siddappa Thippeswamy**	Independent Director	Member
5	Mr. Shivanna Chandrashekhar**	Non-Executive Director	Member

*Appointed w.e.f. 14th August, 2018

**Resigned from Directorship w.e.f. 14th August, 2018