

30TH ANNUAL REPORT (2020-2021)

BOARD OF DIRECTORS

SHIVANNA VISHWANATH	MANAGING DIRECTOR
RAJASEKHARAPPA SHIVANNA	DIRECTOR
PRASANNAKUMAR SIDDAPPA	DIRECTOR
NAMRATA SUBHASH MALU	DIRECTOR
RAJASEKHARAPPA SHIVANNA	CFO (KMP)
PRERNA KARWA	COMPANY SECRETARY

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	<u>chitraspin@gmail.com</u>

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	<u>ca.nishit.tanna@gmail.com</u>

REGISTRARS & SHARE TRANSFER

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

ANNUAL GENERAL MEETING

Day	MONDAY
Date	22 nd NOVEMBER, 2021
Venue	P B No. 9, Bangalore, Road, Challakere, Karnataka –
	577522
Time	11:30 A.M.

INDEX

Sr. No.		Particulars	Pg. No.
1.		Notice	1
2.		Directors' Report	11
	Ι	MGT-9	18
	II	MR-3	29
3.		Management Discussion and Analysis Report	35
4.		CEO/CFO Certificate	36
5.		Independent Auditor's Report	37
	Ι	Balance Sheet	44
	II	Statement of Profit & Loss Account	45
	III	Cash Flow Statement	46
	IV	Notes to the Financial Statement	47
6.		Proxy Form	$5\overline{4}$
7.		Attendance Slip	55

ANNUAL REPORT 2020-2021

CHITRADURGA SPINTEX LIMITED

CIN: L85110KA1990PLC011467 Registered office: P B No. 9, Bangalore Road, Challakere, Karnataka – 577522 Website: <u>www.chitraspinltd.com</u>, Email: <u>chitraspin@gmail.com</u> Tel. No. : 08195-222258, Fax. No. : 08195-222336

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 30th Annual General Meeting of the Members of **CHITRADURGA SPINTEX LIMITED** will be held on Monday, 22nd November, 2021 at 11.30 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 2021, 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.

By Order of the Board of Directors

S. Rajasekharappa Chairman

Place: Challakere Date: 20th October, 2021

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 November, 2021 to 22nd November, 2021 (both days inclusive) for the purpose of Annual General Meeting (AGM) of the Company to be held on 22nd November, 2021.
- 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 2020-2021 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. 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.
- 14. 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.
- 15. 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.

16. Under the direction of Ministry of Corporate Affairs the extension of 2 Months i.e., upto 30.11.2021 is granted by ROC Bangalore for conducting Annual General Meeting.

17. E-Voting process

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.

The remote e-voting period begins on 19th November, 2021 at 09:00 A.M. and ends on 21st November, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 15th November,

2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 15th November, 2021.

How do I vote electronically using NSDL e-Voting system?

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

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of	Login Method	
shareholders		
shareholders Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. <u>https://eservices.nsdl.com</u> either on a Persona Computer or on a mobile. On the e-Services home pag click on the " Beneficial Owner " icon under " Login " which i available under ' IDeAS ' section , this will prompt you t enter your existing User ID and Password. After successfu authentication, you will be able to see e-Voting service under Value added apprised. Click on "Access to a Vating	
	under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period If you are not registered for IDeAS e-Services, option to register is available at <u>https://eservices.nsdl.com</u> . Select "Register Online for IDeAS Portal" or click at <u>https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</u> .	
	2. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <u>https://www.evoting.nsdl.com/</u> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold	

	TEX LIMITED ANNUAL REPORT 2020-2021
	 EX LIMITED With NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 3. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	 Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <u>https://web.cdslindia.com/myeasi/home/login</u> or <u>www.cdslindia.com</u> and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast
	 your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.

ANNUAL REPORT 2020-2021

Individual	You can also login using the login credentials of your demat
Shareholders	account through your Depository Participant registered with
(holding	NSDL/CDSL for e-Voting facility. upon logging in, you will be able
securities in	to see e-Voting option. Click on e-Voting option, you will be
demat mode)	redirected to NSDL/CDSL Depository site after successful
login	authentication, wherein you can see e-Voting feature. Click on
through	company name or e-Voting service provider i.e. NSDL and you will
their	be redirected to e-Voting website of NSDL for casting your vote
depository	during the remote e-Voting period
participants	

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

<u>Helpdesk for Individual Shareholders holding securities in demat mode for any</u> <u>technical issues related to login through Depository i.e. NSDL and CDSL.</u>

Login type	Helpdesk details
Individual Shareholders	Members facing any technical issue in login can
holding securities in demat	contact NSDL helpdesk by sending a request at
mode with NSDL	evoting@nsdl.co.in or call at toll free no.: 1800
	1020 990 and 1800 22 44 30
Individual Shareholders	Members facing any technical issue in login can
holding securities in demat	contact CDSL helpdesk by sending a request at
mode with CDSL	<u>helpdesk.evoting@cdslindia.com</u> or contact at
	022- 23058738 or 022-23058542-43

B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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: <u>https://www.evoting.nsdl.com/</u> 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 'Shareholder/Member' section.
- 3. A new screen will open. You will have to enter your User ID, your Password/OTP 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 <u>https://eservices.nsdl.com/</u> 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. Your User ID is: Demat (NSDL or CDSL) or

Physical	
a) For Members who hold shares	8 Character DP ID followed by 8
in demat account with NSDL.	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	16 Digit Beneficiary ID
in demat account with CDSL.	For example if your Beneficiary ID
	is 12**************** then your user
	ID is 12**********
c) For Members holding shares in	EVEN Number followed by Folio
Physical Form.	Number registered with the
	company
	For example if folio number is
	001*** and EVEN is 101456 then
	user ID is 101456001***

- 5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can user 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, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

- 6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "<u>Forgot User Details/Password?</u>"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) <u>Physical User Reset Password?</u>" (If you are holding shares in physical mode) option available on <u>www.evoting.nsdl.com</u>.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at <u>evoting@nsdl.co.in</u> mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- 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.

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

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

- 1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- 2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period..
- 3. Now you are ready for e-Voting as the Voting page opens.
- 4. 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.
- 5. Upon confirmation, the message "Vote cast successfully" will be displayed.
- 6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- 7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

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