

CHITRADURGA SPINTEX LIMITED



25TH
ANNUAL REPORT (2015-16)

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.chitradurga.co.in
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 16th September, 2016
Venue P.B No. 9, Bangalore Road, Challakere,
Karnataka – 577522
Time 11.00AM

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CHITRADURGA SPINTEX LIMITED

Registered office: P B No. 9, Bangalore

Road, Challakere, Karnataka – 577522

CIN:L85110KA1990PLC011467

Website: www.chitradurga.co.in

Email: chitraspin@gmail.com

Tel. No. : 08195-222258

Fax. No. : 08195-222336

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 25th Annual General Meeting of the Members of **CHITRADURGA SPINTEX LIMITED** will be held on **Friday, 16th September, 2016** 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 2016, 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.
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 2017 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: 10th August, 2016

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 10th September, 2016 to 16th September, 2016 (both days inclusive) for the purpose of Annual General Meeting (AGM) of the Company to be held on 16th September, 2016.
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 2015-16 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
 - I. (a) The Company has provided 'remote e-voting' (e-voting from a place other than venue of the Annual General Meeting (AGM) facility through National Securities Depository Limited (NSDL) as an alternative, for all members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the notice of the 25th Annual General Meeting of the Company dated 10th August, 2016. (the AGM Notice)
 - II. The facility for voting through ballot / polling paper shall 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 at the Meeting through ballot paper. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - III. The remote e-voting period commences on 13th September, 2016 (09:00 am) and ends on 15th September, 2016 (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 of 09th September, 2016 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is casted by the member, the member shall not be allowed to change it subsequently.
 - IV. The Company has appointed Ms. Payal Tachak, Proprietress of M/s. Payal Tachak and Associates, a Practicing Company Secretary, as a Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. E-voting is optional. In terms of requirement of the Companies Act, 2013 and the relevant Rules, the Company has fixed 09th September, 2016 as the 'Cut-off Date'. The remote e-voting/voting rights of the shareholders / beneficial owners shall be reckoned on the equity shares held by them as on the cut-off Date i.e. 09th September, 2016 only.

The instructions for shareholders voting electronically are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the

Company/Depository Participants(s) :

- (i) Open email and open 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.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Chitradurga Spintex Limited"
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to payaltachakandassociates@gmail.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:
EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN
 - (ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast vote.
- IV. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at downloads Section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- V. 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.
- VI. 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).
- VII. 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 of 09th September, 2016.
- VIII. 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. 09th September, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

- IX. 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.
- X. 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 ballot paper.
- XI. **Ms. Payal Tachak**, Proprietress of **M/s. Payal Tachak & Associates**, a Practicing Company Secretary 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.
- XII. 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 "Ballot Paper" or "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIII. The Scrutinizer shall after the conclusion of voting at the General Meeting, 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 make, not later than 3 (Three) days of the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes casted 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.
- XIV. 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 Rajasekharappa
Director Identification Number (DIN)	00900916
Date of Birth	20 th June, 1950
Nationality	Indian
Date of Appointment on Board	17 th May, 1995
Qualification	BE
Shareholding in the Company	NIL
List of Directorships held in other Companies	1. The Margarine And Refined Oil Company Private Limited 2. Chitradurga Sunflower Oil Complex Private Limited 3. Sunveer Consultancy Private Limited
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	NIL

Place: Challakere
Date: 10th August, 2016

By Order of the Board of Directors

S. Rajasekharappa
Chairman

DIRECTOR'S REPORT

To,
The Members,

Your Directors have pleasure in presenting their 25th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2016.

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	2015-16	2014-2015
Gross Income	10,92,175	10,05,210
Profit / (Loss) Before Interest and Depreciation	2,63,918	2,66,267
Finance Charges	--	--
Gross Profit/(Loss)	2,63,918	2,66,267
Provision for Depreciation	--	--
Extraordinary Item	--	--
Net Profit/(Loss) Before Tax	2,63,918	2,66,267
Provision for Tax	65,857	--
Net Profit/(Loss) After Tax	1,98,061	2,66,267
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	1,98,061	2,66,267

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 extent feasible.

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. 1,98,061/- for Financial Year under review is transferred to reserves. The total reserves for the Financial Year 2015-16 is Rs.74,50,944/-

5. SHARE CAPITAL

The total paid up share capital of the Company as on 31st March, 2016 is Rs. 46,10,300/- comprising of 4,61,030 Equity Shares of Rs. 10/- each.

Pursuant to the Scheme of Reduction of Share Capital and Order received from the High Court on 10th July, 2015, the share capital of the Company is reduced from to 46,10,300 Equity Share to 4,61,030 Equity Share.

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 **6 (Six)** 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.	29.05.2015	1.	29.05.2015
2.	18.06.2015	2.	13.08.2015
3.	13.08.2015	3.	05.11.2015
4.	03.10.2015	4.	12.02.2016
5.	05.11.2015		
6.	12.02.2016		

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.

11. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, the directors would like to state that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company for the year under review.
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The directors had prepared the annual accounts on a going concern basis.
- e) The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

12. AUDITORS

Pursuant to the provisions of section 139 of the Companies Act, the rules framed thereafter and other applicable provisions, if any, Mr. Chetan Dedhia, Chartered Accountant, Mumbai, were appointed as statutory auditors of the Company from the conclusion of the 24th Annual General Meeting (AGM) of the Company held on 24th September, 2015 till the conclusion of 27th AGM, subject to ratification of their appointment at every AGM.

13. AUDITORS' REPORT

The Board has duly examined the Statutory Auditor's report on accounts which is self explanatory and clarifications wherever necessary, have been included in the Notes to Financial Statements of the Annual Report.

14. SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Act and Rules made there under, Ms. Shilpa Parekh, proprietress of M/s. S G Parekh & Co., Practicing Company Secretary had been appointed as Secretarial Auditor of the Company for the Financial Year 2015-16, but due to personal reasons she had resigned as Secretarial Auditor of the Company, hence the Board has appointed Ms. Payal Tachak, proprietress of M/s. Payal Tachak & Associates, Practicing Company Secretary for the FY 2015-16.

The report of the Secretarial Auditors is enclosed as Annexure to this report.

Secretarial Auditor's observation and Management's explanation to the Auditor's observation –

- a) Section 203(1) (ii) Non appointment of Company Secretary

The Board would like to bring to your notice that the Company has been trying to recruit a Company Secretary on best efforts basis since a long time but the Company has not been successful.

- b) Regulation 6 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 Non appoint Qualified Company Secretary as Compliance Officer (Applicable from 1st December, 2015)

The Board has designated D M Shivananda Swamy as Compliance officer to take care of the compliances till the time Company finds suitable candidate for the post of Company Secretary.

- c) Clause 41 of the Listing agreement, Regulation 47 of the SEBI (Listing obligations and Disclosure Requirements) Regulation, 2015, Section 108 of the Companies Act 2013 read with Rule 20 of the Companies

(Management and Administration), Rules, 2014 and Section 91 of the *Companies Act 2013 read with Rule 10 of the Companies (Management and Administration) Rules, 2014* – Publication of Results audited and unaudited in news paper, Voting Through Electronic means, News Paper Advertisement for Book Closure.

The Company has not been doing that since the financial position of the Company does not allow Board to incur such expenditure keeping in mind that the results are made available for investors and market through Stock Exchange. The Company, on timely basis submits the results to the Exchange to bring the information in public domain.

- d) Clause 1.2.4 of Secretarial Standard 2 – Map of the Venue of the Annual General Meeting in the Notice of AGM for the Year 2014-15.

The company was not aware about the said provision. However from now onwards the same will be complied.

- e) Regulation 14 of SEBI (Listing Obligations and Disclosures Requirements) Reg. 2015 – Payment of Annual Listing Fees to Stock Exchange within 30 days from Financial Year end.

The Company currently does not have adequate funds to pay the Listing Fees, however Company will pay the same in near future.

- f) 100% Promoter Shareholding in Demat Form - SEBI Circular SEBI/Cir/ISD/05/2011 dated 30th September, 2011 and SEBI Circular SEBI/Cir/ISD/03/2011 dated 17th June, 2011.

The management is trying to do the needful to comply with the said provisions.

However, the Company would try and comply with all the provisions to the fullest extent. The report of the Secretarial Auditor is enclosed as Annexure II to this report.

15. VIGIL MECHANISM

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.chitradurga.co.in under investors/policy documents/Vigil Mechanism Policy link.

16. RISK MANAGEMENT POLICY

The Company has laid down a well defined Risk Management Policy. The Board periodically reviews the risk and suggests steps to be taken to control and mitigate the same through a proper defined framework.

17. EXTRACT OF ANNUAL RETURN

As required pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in **MGT 9** as a part of this Annual Report as **ANNEXURE I**.

18. CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the Company. The code laid down by the Board is known as “Code of Business Conduct” which forms an Appendix to the Code. The Code has been posted on the Company’s website www.chitradurga.co.in.

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of energy, technology absorption, foreign exchange earnings and outgo are nil during the year.

20. INDUSTRIAL RELATIONS:

During the year under review, your Company maintained cordial relationship with employees at all levels.

21. LISTING WITH STOCK EXCHANGES

The Equity shares of the Company are currently listed on BSE Limited.

22. OTHER INFORMATION

Your Directors hereby states that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. During the year under the review, the Company has not given any new loans and not provided any Guarantees or made Investments under the provisions of Section 186 of the Companies Act, 2013;
2. The Provision of Section 135 of the Act with respect to Corporate Social Responsibility (CSR) is not applicable to the Company, hence, there is no need to develop policy on CSR and take initiative thereon;
3. The Company do not have any subsidiary, joint venture or, associate Company, hence, no need to state anything about the same;
4. The Company has not accepted deposits covered under Chapter V of the Act;
5. No significant material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.
6. Since, the Company having paid-up capital less than the threshold provided under Clause 49 of the Listing Agreement and Regulation 27(2) of Listing Regulations 2015, hence, the Company need not required to address Reports on Corporate Governance.
7. There are no employees who are in receipt of salary in excess of the limits prescribed under Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
8. The Company has not entered any contracts or arrangements with related parties specified under Section 188 of Companies Act, 2013.

23. ACKNOWLEDGEMENTS

An acknowledgement to all with whose help, cooperation and hard work the Company is able to achieve the results.

For and on behalf of the Board of Directors

Place: Challakere
Date: 10th August, 2016

S. Rajasekharappa
Chairman

ANNEXURE INDEX

Annexure	Content
I	Annual Return Extracts in MGT 9
II	MR-3 Secretarial Audit Report

ANNEXURE I

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1	CIN	L85110KA1990PLC011467
2	Registration Date	10 th December, 1990
3	Name of the Company	Chitradurga Spintex Limited
4	Category/Sub-category of the Company	Category : Company Limited by Shares Sub-Category : Indian Non-Government Company
5	Address of the Registered office & contact details	Address : P.B. No. 9, Bangalore Road, Challakere, Karnataka – 577522 Email ID: chitraspin@gmail.com Tel. No. : 08195-222258 Fax No. : 08195-222336
6	Whether listed company	Listed on BSE Limited
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Name: Canbank Computer Services Limited Address : #218, J P Royale, 1 st Floor, 2 nd Main Sampige Road, (Near 14 th Cross) Malleshwaram, Banglore – 560003 Tel No. – 080-23469660, 23469668 Email: canbank_computer@dataone.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
NIL			

III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year[As on 01-April-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Person acting in concert	786200	15000	801200	17.38	78620	1500	80120	17.38	-

Category of Shareholders	No. of Shares held at the beginning of the year[As on 01-April-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Directors & their relatives	2400	23300	25700	0.56	240	2317	2557	0.56	-
Total shareholding of Promoter (A)	788600	38300	826900	17.94	78860	3817	82677	17.94	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds / UTI	-	55400	55400	1.20	-	5540	5540	1.20	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	55400	55400	1.20	-	5540	5540	1.20	-
2. Non-Institutions									
a) Bodies Corp.	102262	124600	226862	4.92	9222	12460	21682	4.70	-0.22
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	585250	746300	1331550	28.88	110034	90550	200584	43.51	14.63
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1602392	161000	1763392	38.25	109830	-	109830	23.82	-14.43
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	107944	275800	383744	8.32	10794	27580	38374	8.32	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Hindu Undivided	21252	-	21252	0.46	2223	-	2223	0.48	0.02

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Families									
ESOPs/ ESOS/ ESPS Employee Shareholders	-	1200	1200	0.03	-	120	120	0.03	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	2419100	1308900	3728000	80.86	242103	130710	372813	80.86	-0.33
Total Public Shareholding (B)=(B)(1)+(B)(2)	2419100	1364300	3783400	82.06	242103	136250	378353	82.06	-0.33
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3207700	1402600	4610300	100	320963	140067	461030	100	-0.33

B) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01-April-2015]			Shareholding at the end of the year [As on 31-March-2016]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Chandrasekhar Shivanna	25700	0.557	-	2557	0.555	-	-
2	Nandakishore Innani	2500	0.054	-	250	0.054	-	-
3	Dwarakadas Innani	2500	0.054	-	250	0.054	-	-
4	Vijay Kumar Innani	2500	0.054	-	250	0.054	-	-
5	P Ramdas	2500	0.054	-	250	0.054	-	-
6	C Champalal Jain	2500	0.054	-	250	0.054	-	-
7	Usha Kumar J N	2500	0.054	-	250	0.054	-	-
8	Ashok Kumar Innani	1500	0.033	-	150	0.033	-	-
9	I V Mangala	103000	2.234	-	10300	2.234	-	-
10	S Rekha	102500	2.223	-	10250	2.223	-	-
11	Susheela S C	116100	2.518	-	11610	2.518	-	-
12	B Sumana	103000	2.234	-	10300	2.234	-	-
13	Shivanna Jaya Prakash	84700	1.837	-	8470	1.837	-	-
14	Shivanna Koteswar	141500	3.069	-	14150	3.069	-	-
15	Chikkahally Shivanna Manohar	133900	2.904	-	13390	2.904	-	-

C) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	826900	17.936	826900	17.933
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	No change	No change	Change Due to Reduction of Share Capital of the Company	0.003
	At the end of the year	826900	17.936	82677	17.933

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Vishal Dineshbhai Chavda				
	At the beginning of the year	1098300	23.82	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Change due to reduction of Capital of the Company	No Change	-	-
	At the end of the year	109830	23.82	-	-
2.	Ventura Guaranty Ltd.				
	At the beginning of the year	108900	2.36	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Change due to reduction of Capital of the Company	No Change	-	-
	At the end of the year	10890	2.36	-	-
3.	Zakirhusen Abdulhakim Mansuri				
	At the beginning of the year	96602	2.10	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Change due to reduction of Capital of the Company	No Change	-	-
	At the end of the year	9660	2.10	-	-
4.	Pradeep Bhutoria				
	At the beginning of the year	72800	1.58	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Change due to reduction of Capital of the Company	No Change	-	-
	At the end of the year	7280	1.58	-	-
5.	Habibbhai Sifayatali Mansuri				
	At the beginning of the year	70576	1.53	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer /	Change due to reduction of Capital of the	No Change	-	-

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	bonus/ sweat equity etc.):	Company			
	At the end of the year	7058	1.53	-	-
6.	Pushpa Hirachand Bafna				
	At the beginning of the year	62490	1.36	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Change due to reduction of Capital of the Company	No Change	25	0.01
	At the end of the year	6274	1.36	-	-
7.	Bhavna Ashok Shah				
	At the beginning of the year	50000	1.08		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Change due to reduction of Capital of the Company	No Change		
	At the end of the year	5000	1.08		
8.	P S Balasubramanyam				
	At the beginning of the year	50000	1.08	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Change due to reduction of Capital of the Company	No Change	-	-
	At the end of the year	5000	1.08	-	-
9.	Shyam M Ganglani				
	At the beginning of the year	50000	1.08	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Change due to reduction of Capital of the Company	No Change	-	-
	At the end of the year	5000	1.08	-	-
10.	Venkata Rao Mullapudi				
	At the beginning of the year	40000	0.87	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Change due to reduction of Capital of the Company	No Change	-	-
	At the end of the year	4000	0.87	-	-

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Chandrasekhar Shivanna (Director)				
	At the beginning of the year	25700	0.557	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Change due to reduction of Share Capital of the Company	-0.002	-	-

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the end of the year	2557	0.0555	-	-
2.	Shivanna Vishwanath (Managing Director)				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-
3.	Shivanna Rajasekharappa (Director & CFO)				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-
4.	Thippeswamy Sadashivamurthy (Director)				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-
5.	Prasannakumar Siddappa (Director)				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-
6.	Thippeswamy Siddappa Thippeswamy (Director)				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
7.	Namrata Subhash Malu (Director)				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address of The Company	CIN/GLN	Holding/ Subsidiary Associate	% of shares held	Applicable Section
	NA	NA	NA	NA	NA

IV. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	--	--	--	--
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	--	--	--
Change in Indebtedness during the financial year	--	--	--	--
* Addition	--	--	--	--
* Reduction	--	--	--	--
Net Change	--	--	--	--
Indebtedness at the end of the financial year	--	--	--	--
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	--	--	--

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

During the period under the review Company has not paid any amount to the Managing Director, Whole-time Director as remuneration.

A. Remuneration to Managing Director, Executive Director:

Sr. No.	Particulars of Remuneration	Name of Managing Director	Executive Director
		Mr. S. Vishwanath	Shivanna Rajasekharappa
1	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	11% of the Net of Profit	11% of the Net of Profit

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Thippeswamy Sadashivamurthy	Prasannakumar Siddappa	Thippeswamy Siddappa Thippeswamy	Namrata Subhash Malu	
	Independent Directors					

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Thippeswamy Sadashivamurthy	Prasannakumar Siddappa	Thippeswamy Siddappa Thippeswamy	Namrata Subhash Malu	
	<ul style="list-style-type: none"> • Fee for attending board Committee Meetings • Commission • Others, please specify 	-	-	-	-	-
	Total (1)	-	-	-	-	-
		Shivanna Chandrashekhar				
	Other Non-Executive Director <ul style="list-style-type: none"> • Fee for attending board committee meetings • Commission • Others, please specify 	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B) = (1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	11% of the Net of Profit	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Shivanna Rajasekharappa (CFO)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - others, specify...	-
5.	Others, please specify	-
	Total	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NONE

For and on behalf of the Board of Directors

Place: Challakere
Date: 10th August, 2016

S. Rajasekharappa
Chairman

ANNEXURE – II
Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Chitradurga Spintex Limited
P.B. No. 9, Bangalore Road,
Chitradurga District,
Challakere – 577522
Karnataka

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Chitradurga Spintex Limited** (hereinafter called “**the Company**”). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by Chitradurga Spintex Limited (“the company”) for the financial year ended March 31, 2016 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
 - iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
2. Provisions of the following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 were not applicable to the Company under the financial year 2015-16:
 - a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - b) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
3. Provisions of the Foreign Management Act, 1999 and the rules and Regulations made thereunder to the extent of External Commercial Borrowings were not attracted to the company under the Audit period.
4. I have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013; and
 - (ii) The Listing Agreements entered into by the Company with BSE Limited (upto 30 November, 2015).

During the period under review and as per the explanations and the clarifications given to us and the representation made by the Management of the Company, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extend applicable and subject to the following observation.

1. Sec 203(1)(ii) of Companies Act, 2013 – Appointment of Key Managerial Personnel

Pursuant to the provisions of Sec 203(1)(ii) read with Rule 8 of The Companies (Appointment and Remuneration of Managerial Personnel) every Listed Company shall have the following whole time Key Managerial Personnel,-

- a) *Managing Director, or Chief Executive Officer or Manager and in their absence, a whole-time director;*
- b) *Company Secretary; and*
- c) *Chief Financial Officer*

However, during the period under review, the Company has not Appointed Company Secretary as the Key Managerial Personnel.

2. Regulation 6 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 (Applicable from 1st December, 2015)

Pursuant to Regulation 6 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 a Listed Company shall designate Qualified Company Secretary as a Compliance officer.

However, during the period under review, the Company has not appointed Compliance officer.

3. Clause 41 (III)(B) & 41(VI) of the Listing Agreement and Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 – Advertisement in News Paper

Pursuant to Clause 41 (III) (B) & 41(VI) of the Listing Agreement and Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company shall issue a public notice in at least in one English daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region, where the registered office of the company is situated for following matters:

- a) *Board meeting wherein quarterly unaudited / audited results are to be considered where Prior 7 clear day's intimation needs to be published.*
- b) *Financial results within 48 hrs of the conclusion of Board or committee meeting at which they were approved.*

However, during the period under review, the Company has not complied with the requirements of the aforesaid clause of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

4. Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration), Rules, 2014 – Voting Through Electronic means

Pursuant to Rule 20 (4) (v) of the Companies (Management and Administration), Rules, 2014 the Company shall cause a public notice by way of an advertisement to be published, immediately on completion of dispatch of notices for the meeting not later than 21 days prior to the date of General Meeting at least once in English newspaper having country

wide circulation and once in vernacular language news paper in principle vernacular language of the District in which company is situated, having wide circulation in the District.

However, during the period under review, the Company has not complied with the requirements of Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration), Rules, 2014.

5. *Section 91 of the Companies Act 2013 read with Rule 10 of the Companies (Management and Administration) Rules, 2014 – News Paper Advertisement for Book Closure.*

Pursuant to Section 91 of the Companies Act, 2013 read with Rule 10 of the Companies (Management and Administration) Rules, 2014, a Listed Company closing the Register of Members shall give news paper advertisement for Book Closure at least 7 days prior to the Book Closure in vernacular newspaper in the principle vernacular language of the District and having a wide circulation in the place where registered office of the Company is situated also at least once in English Language in an English Newspaper circulating in that district and having wide circulation in the place where the Registered office of the Company is situated.

However, during the period under review, the Company has not complied with the requirement of Section 91 of the Companies Act read with Rule 10 of the Companies (Management and Administration) Rules, 2014.

6. *Clause 1.2.4 of Secretarial Standard 2 – Map of the Venue of the Annual General Meeting in the Notice of AGM for the Year 2014-15.*

Pursuant to clause 1.2.4 of the Secretarial Standards 2 on General Meeting Notice shall contain complete particulars of the venue of the Meeting including route map and prominent land mark for easy location. In case of companies having a website, the route map shall be hosted alongwith the Notice on the website.

However, during the period under review, the Company has not given road map and prominent land mark in the AGM notice of the 2014-15.

7. *Regulation 14 of the SEBI (Listing Obligations and Disclosures Requirements) Reg. 2015- Payment of Annual Listing fees to Stock Exchange within 30 days from Financial Year end.*

Every Listed company shall pay all such fees or charges, as applicable, to the recognized stock exchange, in the manner specified.

However, the Company has not yet paid Annual Listing fees to BSE Limited for Financial Year 2016-17.

8. *100% Promoter Shareholding in Demat Form - SEBI Circular SEBI/Cir/ISD/05/2011 dated 30th September, 2011 and SEBI Circular SEBI/Cir/ISD/03/2011 dated 17th June, 2011.*

Further to the SEBI circular SEBI/Cir/ISD/03/2011 dated 17th June, 2011 and with reference to the SEBI Circular SEBI/Cir/ISD/05/2011 dated 30th September, 2011 SEBI in consultation with Stock Exchanges, has decided that the securities of companies shall be traded in the normal segment of the exchange if and only if, the company has achieved 100% of promoter's and promoter group's shareholding in dematerialized form latest by the quarter ended December, 2011.

However, during the year under review the Company has not complied with the SEBI Circular SEBI/Cir/ISD/05/2011 dated 30th September, 2011.

I further report that; the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice for the Board /Committee Meetings was given to all directors to schedule the Board/Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that; as represented by the Company and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has passed the following Board Resolutions which are having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

- (1) The Board on meeting held on 3rd October, 2015 allotted 4,61,030 Equity Shares of of Rs. 10/- each to the Shareholders whose name appears as the closing of the business hours on the record date i.e. 24th September, 2015 pursuant to the Scheme of Reduction of Share capital approved by High Court of Judicature at Bangalore, in the state of Karnataka.

I further report that during the audit period, there were no instances of:

1. Public/Right/Preferential Issue of securities;
2. Redemption/Buy Back of Securities;
3. Merger/Amalgamation etc.;
4. Foreign technical Collaborations

I further state that my report of even date is to be read alongwith “**Annexure – A**” appended hereto.

FOR PAYAL TACHAK & ASSOCIATES
Practicing Company Secretary

CS PAYAL TACHAK
Proprietor
ACS 38016
CP 15010
Place: Mumbai
Date: 10th August, 2016

‘ANNEXURE A’

To,
The Members,
Chitradurga Spintex Limited
P.B. No. 9, Bangalore Road,
Chitraduga District, Challakere – 577522
Karnataka

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

FOR PAYAL TACHAK & ASSOCIATES
Practicing Company Secretary

CS PAYAL TACHAK
Proprietor
ACS 38016
CP 15010
Place: Mumbai
Date: 10th August, 2016

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The Company was under process of Reduction of Share Capital. Therefore, no business was carried out by the Company. Though there is no business is undertaken, its net worth remains positive and considering the fact that the Company has adequate resources to continue in operational existence for the foreseeable future and taking into account the management assessment of improvement in the economic condition in general.

Financial performance & review

The Company made a profit of Rs. 1,98,061 during current financial year as against profit of Rs. 2,66,267 during the previous year.

Segment wise performance

As there is no particular operational activity segment wise performance is not applicable.

Outlook

The Directors are under the process of exploring other avenues of diversifying into new areas of business.

Risk Management

Your Company has no specific risks other than normal business problems which are explained above.

Internal Controls

The Company has adequate internal control procedures and has well defined business processes to ensure the efficiency and effectiveness of the efforts that go in managing various assets and interests of the Company.

Subsidiaries

Your Company has no subsidiary Companies.

CEO / CFO Certification

We hereby certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2016 and to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) They are, to the best of our knowledge and belief; no transactions entered into by the Company during the year ended 31st March, 2016 are fraudulent, illegal or violate any of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that there are no:
 - i) Significant changes in internal control over financial reporting during the year under reference;
 - ii) Significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - iii) Instances during the year of significant fraud with involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For CHITRADURGA SPINTEX LIMITED

Date: 10th August, 2016
Place: Challakere

Shivanna Rajasekharappa
Chief Financial Officer (CFO)

Shivanna Vishwanath
Managing Director

Independent Auditor's Report

To the Members of M/s Chitradurga Spintex Limited

Report on the Financial Statements

I have audited the accompanying financial statements of M/s Chitradurga Spintex Limited ("the Company") which comprise the balance sheet as at 31st March, 2016 and the statement of profit and loss and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the matters in sec 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified u/s 133 of the Act read with Rule 7 of the Companies (Account) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design and implementation and maintenance of internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit.

I have taken into account the provisions of the Act and matters which are required to be included in the audit report under the provisions of the Act and Rules made there under.

I conducted my audit in accordance with the Standards on Auditing specified u/s 143(10) of the Act, issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2016;
 - (ii) in the case of the statement of profit and loss, of the profit for the year ended on that date.
- and
- (iii) in the case of the Cash flow statement, of the cash flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, I give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, I report that:
 - a. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
 - b. in my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
 - c. the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
 - d. in my opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules 2014 ; and
 - e. On the basis of written representations received from the directors as on 31st March, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of section 164 of the Companies Act, 2013.
 - f. with respect to the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, we express an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company.
 - g. with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company do not have pending litigations on its financial position in its financial statements;
 - ii. The Company has made provisions as required under the applicable law or accounting, standards, for material foreseeable losses if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

CHE TAN NANJI DEDHIA
Chartered Accountants
Membership No: 044402

Mumbai, 30th May, 2016

Annexure to the Auditors' Report

The Annexure referred to in our report to the members of **Chitradurga Spintex Limited** ('The Company') for the year ended 31 March 2016 and on the basis of such checks as I considered appropriate and according to the information and explanations given to us during the course of our audit, I report that:

- (i) As the Company does not hold any fixed assets for the year, the requirement of clause (i) of paragraph 3 of the Order, is not applicable to the company.
- (ii) As the Company does not hold any inventories for the year, the requirement of clause (ii) of paragraph 3 of the Order, is not applicable to the company.
- (iii) The company has not granted any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained u/s 189 of the Act. The Company has not purchased any goods or fixed assets, and affected any sales during the year, thus requirement of clause (iv) of the Order are not applicable to the Company.
- (iv) The company has not granted any loans, secured or unsecured under section 185, made any investment, provided any guarantee or security. Hence the question of reporting under the cause 3(iv) of the order does not arise.
- (v) In our opinion and according to the information and explanation given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provision of section 73 to 76 or any other relevant provision of the Companies Act and the rules framed there under, to the extent applicable. We are informed by the Management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any Tribunal in this regard.
- (vi) As informed to us, the Central Government has not prescribed maintenance of Cost Records under sub-section (1) of the section 48 of the Act.
- (vii)
 - a. According to the information and explanation given to us and according to records of the Company examined by us, in our opinion the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident fund, employees' state insurance, income tax, sales tax, wealth tax, customs duty, excise duty, cess and other material statutory dues wherever applicable.

According to the information and explanation given to us, no undisputed amount payable in respect of aforesaid dues were outstanding as at March 31, 2016 for more than six months from the date they became payable.

 - b. According to the information and explanation given to us, there are no disputed amounts payable in respect of income tax, Sales tax, Wealth tax, Customs duty, Excise duty and Cess outstanding as at the year end, except for Entry Tax of Rs 3.91 Lakhs for the year 1992-93
- (viii) explanation given to us, no fraud on or by the company has been noticed for reported We have been informed that the Company has not defaulted in repayment of loan or borrowings to financial institution, banks and Government, The Company has not raised any funds through debentures.
- (ix) The Company has not raised money by the way of initial public offer or further public offer (including debt instrument).
- (x) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practice in India and according to the information and during the period by the Company.
- (xi) The managerial remuneration has been paid in accordance with the requisite approvals mandated by the provision of section 197 read with schedule V to the Act
- (xii) The Company is not a chit fund or a Nidhi company. Hence, the question of reporting under clause 3(xii) of the order does not arise.

- (xiii) The Company has complied with the provision of section 177 and 188 of the in respect of transaction with the related parties and the details have been disclosed in the Financial Statement etc as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) The Company has not entered into any non-cash transaction with directors or person connected with him covered under the provision of section 192 of the Act.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

CHETAN NANJI DEDHIA
Chartered Accountant
Membership No : 044402

Mumbai, 30th May, 2016

CHITRADURGA SPINTEX LIMITED

BALANCE SHEET (And Reduced) AS AT 31ST MARCH, 2016

Particulars		Note No.	As at 31 March, 2016	As at 31 March, 2015
I.	EQUITY AND LIABILITIES			
(1)	Shareholders' funds			
	(a) Share capital	2	46,10,300	461,03,000
	(b) Reserves and surplus	3	74,50,944	-339,03,614
	(c) Money received against share warrants		-	-
(2)	Share application money pending allotment		-	-
(3)	Non-current liabilities		-	-
(4)	Current liabilities			
	(a) Short-term borrowings		-	-
	(b) Trade payables	4	1,38,115	-
	(c) Other current liabilities	5	2,010	8,274
	(d) Short-term provisions	6	95,786	1,60,853
	TOTAL		122,97,155	123,68,513
II.	ASSETS			
	Non-current assets			
(1)	(a) Fixed assets			
	(i) Tangible assets		-	-
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		-	-
	(iv) Intangible assets under development		-	-
	(b) Non-current investment	7	11,000	11,000
	(c) Long-term loans and advances	8	1,21,701	42,72,051
	(d) Other non-current assets			
(2)	Current assets			
	(a) Trade receivables		-	-
	(b) Cash and cash equivalents	9	119,23,215	67,93,304
	(c) Short-term loans and advances	10	2,41,239	12,92,158
	TOTAL		122,97,155	123,68,513
<i>The Notes referred to above form an integral part of the Financial Statement</i>				

This is the Balance Sheet referred to in our report of even date

For and on behalf of the Board

For CHITRADURGA SPINTEX LIMITED

CHETAN NANJI DEDHIA

Chartered Accountants
Mem. No. : 044402
Mumbai, 30 May, 2016

S. Rajashekarappa
Chairman

S. Vishwanath
Managing Director

Challakere, 30 May, 2016

CHITRADURGA SPINTEX LIMITED
PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars		Note No.	As at 31 March, 2016	As at 31 March, 2015
I.	Revenue from operations	10	-	-
II.	Other income	11	10,92,175	10,05,210
III.	Total Revenue (I + II)		10,92,175	10,05,210
IV.	Expenses:			
	Employee benefits expense	12	2,03,494	2,23,284
	Depreciation and amortization expense			
	Other expenses	13	6,24,763	5,15,659
	Total expenses		8,28,257	7,38,943
V.	Profit before exceptional and extraordinary items and tax (III-IV)		2,63,918	2,66,267
VI.	Tax expense:			
	(1) Current tax		50,300	-
	(2) Tax expense relating to prior prior years		15,557	-
	(3) Deferred tax		-	-
VII.	Profit for the period from continuing operations (V-VI).		1,98,061	2,66,267
VIII.	Transferred to General Reserves		0	0
	Balance carried forwarded		1,98,061	2,66,267
IX.	Earnings per equity share:			
	(1) Basic		0.43	0.58
	(2) Diluted		0.43	0.58
<i>The Notes referred to above form an integral part of the Balance Sheet.</i>				

For and on behalf of the Board

For CHITRADURGA SPINTEX LIMITED

S. Rajashekharappa
Chairman

S. Vishwanath
Managing Director

CHETAN NANJI DEDHIA
Chartered Accountants
Mem. No. : 044402
Mumbai, 30 May, 2016

Challakere, 30 May, 2016

CHITRADURGA SPINTEX LIMITED

Cash Flow Statement for the year ended 31.03.2016

Particulars		31.03.2016	31.03.2015
		(Amount Rs.)	(Amount Rs.)
A.	<u>Cash Flow form Operating Activities</u>		
	Net Profit / (Loss) before extraordinary items and tax	1 98 061	2 66 267
	<u>Adjustments for :</u>		
	(Profit) / loss on sale of assets	-	-
	Expenses on Capital Reduction	-3,36,203	-
	Interest Income	-10,92,175	-10,05,210
	Operating profit / (loss) before working capital changes	-12,30,317	-7,38,943
	<u>Adjustments for (increase) / decrease in operating assets:</u>		
	Trade receivables	-	-
	Short-term loans and advances	10,50,919	-12,52,709
	<u>Adjustments for increase / (decrease) in operating Liabilities:</u>		
	Trade Payables	1,38,115	-
	Other current liabilities	-6,264	6,439
	Short-term provisions	-65,067	53,726
	Cash generated from operations	-1,12,614	-19,31,487
	Net cash flow from / (used in) operating activities (A)	-1,12,614	-19,31,487
B.	<u>Cash flow from investing activities</u>		
	Long-term loans and advances	40,00,000	-
	Balance with Revenue Authorities	1,50,350	-19,180
	Net cash flow from / (used in) investing activities (B)	41,50,350	-19,180
C.	<u>Cash flow from financing activities</u>		
	Interest Income	10,92,175	10,05,210
	Net cash flow from / (used in) financing activities (C)	10,92,175	10,05,210
	Net increase / (decrease) in Cash and cash equivalents (A+B+C)	51,29,911	-9,45,457
	Cash and cash equivalents at the beginning of the year	67,93,304	77,38,760
	Cash and cash equivalents at the end of the year	119,23,215	67,93,304

This is the Balance Sheet referred to in our report of even date

For and on behalf of the Board

For CHITRADURGA SPINTEX LIMITED

CHETAN NANJI DEDHIA
Chartered Accountants
Membership Number : 044402

Mumbai, 30 May, 2016

S. Rajasekharappa
Chairman

Challakere, 30 May, 2016

S. Vishwanath
Managing Director

CHITRADURGA SPINTEX LIMITED

Notes on Financial Statements for the year ended 31st March, 2016

1. SIGNIFICANT ACCOUNTING POLICIES**Basis for preparation of accounts**

The financial statements have been prepared on an accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles in India, provisions of the Companies Act, 2013 and comply in material aspects with the accounting standards notified under Section 133 of the Act, read with Companies (Accounting Standards) Rules, 2015, except for gratuity which is accounted on cash basis.

Use of Estimates

The preparation of financial statements requires the Management of the Company to make estimates and assumptions that affect the reported balance of assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision of accounting estimates is recognised prospectively in the current and future periods.

Revenue Recognition

Revenue is recognised to the extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

There was no revenue from business operations during the year since the company have not undertaken any business.

Pursuant to approval of the members through postal ballot on 30.10.2008, the company has amended the main objects of the company accordingly Company has stopped the spinning activity from 31.12.2008

Government Grants and Subsidies

Government grants in the nature of promoters contribution like investment subsidy, where no repayment is expected in respect thereof, are treated as capital reserve.

Tangible Fixed Assets

There are no Fixed Assets

Depreciation and Amortisation

As there are no fixed assets, there is no depreciation provision.

Valuation of Inventories

There was no inventory in the current financial year.

Foreign Currency Transaction

There was no foreign currency transaction during the year.

Investments

Non-current investments are stated at cost.

Retirement Benefits

Periodic contributions towards post retirement benefit plan such as provident fund are charged to the Statement of Profit and Loss. However, no provision for gratuity is made which is contrary to the Accounting Standard 15 issued by The Institute of Chartered Accountants of India.

Taxation

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of local Income Tax Laws as applicable to the financial year.

Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earning per share of Previous year is restated on account of Internal Reconstruction

Deferred Tax

Company has not recognised deferred tax asset as there is no reasonable certainty that in future sufficient taxable income will be available against which such deferred tax asset can be realised.

2. SHARE CAPITAL

Particulars	As at 31 March, 2016	As at 31 March, 2015
i. Authorised 5000000 Equity Shares of Rs. 10/- each	500,00,000	500,00,000
ii. Issued, Subscribed and Fully Paid Up 461030 Equity Shares of Rs. 10/- each 4610300 Equity Shares of Rs. 10/- each	46,10,300	461,03,000
Total	46,10,300	461,03,000

iii. The change in Share Capital is on Account of Capital Reduction. Wherein Face Value of share was reduced to Rs. 1/- per share and thereafter 10 shares were consolidated to 1 share of Rs. 10/-.

iv. Details of Shareholders holding more than 5% shares :

Name of Shareholders	As at 31 st March 2016		As at 31 st March 2015	
	No. of Shares held	% held	No. of Shares held	% held
1. Vishal Dineshbhai Chavda	1,09,830	23.82%	10,98,300	23.82%

3. RESERVES AND SURPLUS

Particulars	31 st March, 2016	31 st March, 2015
a. State Government Subsidy	20,00,000	20,00,000
	20,00,000	20,00,000
b. <u>Capital Reserve</u>		
Opening balance	-	-
Add : Share Capital	4,14,92,700	-
Less : Profit and Loss A/c	-397,87,266	-
Less : Expenses on Capital Reduction	-3,36,203	-
	13,69,231	-
c. <u>Profit and Loss Account</u>		
Opening balance	-359,03,614	-361,69,881
Add : Current Year Profit	1,98,061	2,66,267
Add : Capital Reduction	3,97,87,266	-
Closing balance	40,81,713	-359,03,614
Total (a + b + c)	74,50,944	-339,03,614

4. TRADE PAYABLES

Particulars	Sub-Notes	31 st March, 2016	31 st March, 2015
Creditor for Expenses	i	1,38,115	-
Total		1,38,115	-

5. OTHER CURRENT LIABILITIES

Particulars	Sub-Notes	31 st March, 2016	31 st March, 2015
Statutory Dues	ii	2,010	8,274
Total		2,010	8,274

6. SHORT-TERM PROVISIONS

Particulars	Sub-Notes	31 st March, 2016	31 st March, 2015
1. Provision for employee benefits			
Salary Payable – Others		18,607	18,608
2. Provision – others			
Audit Fees		29,770	58,428
Provision for Expenses	iii	47,409	83,817
Total		95,786	1,60,853

7. NON-CURRENT INVESTMENT

Particulars	31 st March, 2016	31 st March, 2015
<u>Investment in Shares</u>		
-800 Equity shares in G.R. Cables Ltd. Paid up (Market Value - Rs. 560/-)	8,000	8,000
<u>Investment in Government securities</u>		
-National Saving Certificate (unquoted)	3,000	3,000
Total	11,000	11,000

8. LONG-TERM LOANS AND ADVANCES

Particulars	Sub-Notes	31 st March, 2016	31 st March, 2015
D & C Kairos		-	40,00,000
Security Deposits	iv	4,900	4,900
Balance with Revenue Authorities-TDS	v	1,16,801	2,67,151
Total		1,21,701	42,72,051

9. CASH AND CASH EQUIVALENTS

Particulars	Sub-Notes	31 st March, 2016	31 st March, 2015
Balances with banks	vi	1,18,42,791	67,75,885
Cash on hand		80,424	17,419
Total		1,19,23,215	67,93,304

10. SHORT-TERM LOANS AND ADVANCES

Particulars	Sub-Notes	31 st March, 2016	31 st March, 2015
Other Advances	vii	2,41,239	12,92,158
Total		2,41,239	12,92,158

10. REVENUE FROM OPERATIONS

Particulars	31 st March, 2016	31 st March, 2015
a. Income From Operating revenues	-	-
b. Other operating revenues	-	-
Total	-	-

11. OTHER INCOME

Particulars	Sub-Notes	31 st March, 2016	31 st March, 2015
a) Interest Income	viii	10,92,175	10,05,210
Total		10,92,175	10,05,210

12. EMPLOYEE BENEFITS EXPENSE

Particulars	31 st March, 2016	31 st March, 2015
<u>Salaries and allowances</u>		
To Directors	-	-
To Others	1,71,919	1,88,640
Employees Provident Fund	23,404	25,680
Employees State Insurance	8,171	8,964
Staff welfare	-	-
Total	2,03,494	2,23,284

13. OTHER EXPENSES

Particulars	31 st March, 2016	31 st March, 2015
Operating Exp		
<u>Office Administrative Expenses:</u>		
Advertisement Expenses	47,295	12,426
Auditors Remuneration	29,770	29,214
Annual General Meeting Expenses	-	25,736
Bank Charges	406	(14,493)
EPF Interest Paid	-	2,760
Filling Fees	19,800	-
Listing Fees	2,49,530	1,29,375
Postage & Telephone	75,276	1,41,721
Printing & Stationary	50,800	50,400
Professional Charges	65,976	35,330
Rates and Taxes	-	10,467
R & T Expenses (Folio Maintenance)	85,910	86,161
Sales Tax (2009-10)	-	3,365
Travelling Expenses	-	3,197
Total	6,24,763	5,15,659

AUDITORS REMUNERATION

Particulars	31 st March, 2016	31 st March, 2015
Statutory Audit	29,770	29,214
Tax Audit	-	-
Certification	-	-
Total	29,770	29,214

EARNING PER SHARES

In determining earning per shares, the company considers the net profit after tax.

Particulars	31 st March, 2016	31 st March, 2015
Net Profit & Loss as per profit & loss account (amount in Rs.) (A)	1,98,061	2,66,267
Number of equity shares of Rs. 10 each at the beginning of the year (Restated)	4,61,030	46,10,30 *
Number of equity shares of Rs. 10 each at the end of the year (Restated)	4,61,030	46,10,30 *
Weighted average number of equity shares of Rs.10 each outstanding during the year (B)	4,61,030	46,10,30 *
Earning per shares (Basic and Diluted) (amount in Rs.) (A)/(B)	0.43	0.58

* Number of Equity shares are restated on account of Internal Reconstruction.

Previous year's figures have been regrouped/ reclassified/restated wherever necessary to correspond with the current year's classification/disclosures.

For and on behalf of the Board

For CHITRADURGA SPINTEX LIMITED

CHETAN NANJI DEDHIA

Chartered Accountants
Mem. No. : 044402
Mumbai, 30 May, 2016

S. Rajashekharappa
Chairman
Challakere, 30 May, 2016

S. Vishwanath
Managing Director

CHITRADURGA SPINTEX LIMITED

*Sub-Notes on Financial Statements for the year ended 31st March, 2016***(i) Creditor For Expenses**

Particulars	31 st March, 2016	31 st March, 2015
G P World Wide Courier	74,523	-
Maheshwari Enterprises	50,292	-
M. Buha & Co.	13,300	-
Total	1,38,115	-

(ii) Statutory Dues

Particulars	31 st March, 2016	31 st March, 2015
TDS on Contract	2,010	2,656
NSDL (Voting Exp)	-	5,618
Total	2,010	8,274

(iii) Provision for Expenses

Particulars	31 st March, 2016	31 st March, 2015
Advertisement Payable	-	10,593
R & T Expenses Payable	18,079	23,894
Professional Fees Payable	29,330	49,330
Total	47,409	83,817

(iv) Security Deposits

Particulars	31 st March, 2016	31 st March, 2015
Mobile Deposit	3,900	3,900
Telephone Deposit	1,000	1,000
Total	4,900	4,900

(v) Balance with Revenue Authorities-TDS

Particulars	31 st March, 2016	31 st March, 2015
I T Deduction 2009-10	8,151	8,151
I T Deduction 2010-11	-	10,504
I T Deduction 2011-12	-	56,527
I T Deduction 2012-13	-	5,390
I T Deduction 2014-15	-	1,36,739
I T Deduction 2015-16	51,200	49,840
I T Deduction 2016-17	1,07,750	-
<u>Less : Provision For Tax (A.Y. 16-17)</u>	<u>50,300</u>	-
Total	1,16,801	2,67,151

(vi) Balances with Banks

Particulars	31st March, 2016	31st March, 2015
ICICI Bank	52,75,056	2,25,592
Canara Bank	1,737	1,737
Kotak Mahindra Bank FD	65,65,998	65,48,556
Total	1,18,42,791	67,75,885

(vii) Other Advances

Particulars	31st March, 2016	31st March, 2015
Interest On NSC	2,002	2,002
Sundry Advances	34,665	28,155
Interest due from D & C Kairos	-	5,12,001
Interest due from Kodak Bank FD	2,04,572	-
Wave Advisory	-	7,50,000
Total	2,41,239	12,92,158

(viii) Interest Income

Particulars	31st March, 2016	31st March, 2015
Fixed Deposit Interest	5,11,222	4,98,396
Interest on advance	5,66,276	5,03,124
Interest on IT Refund	14,677	3,690
Total	10,92,175	10,05,210

**Form No. MGT-11
Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)		
Registered Address		
E-mail Id	Folio No /Client ID	DP ID

I/We, being the member(s) of _____ shares of the above named company. Hereby appoint

Name :	E-mail Id:
Address:	
Signature , or failing him	
Name :	E-mail Id:
Address:	
Signature , or failing him	
Name :	E-mail Id:
Address:	
Signature , or failing him	

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on Friday, 16th September, 2016 at 11.00 A.M. at P.B. No. 9, Bangalore Road, Challakere, Karnataka - 577522 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

Sr. No.	Resolution(S)	Vote	
		For	Against
1.	Adoption of statement of Profit & Loss, Balance Sheet, report of Directors' and Auditor's for the Financial year 31 st March, 2016		
2.	Re-appointment of Mr. Shivanna Rajasekharappa who retires by rotation eligible for re-appointment		
3.	Ratification of appointment of Mr. Chetan Dedhia , Chartered Accountant as Statutory Auditors & fixing their remuneration		

* Applicable for investors holding shares in Electronic form.

Signed this _____ day of _____ 20____

Affix Revenue Stamps

Signature of Shareholder

Signature of Proxy holder

Signature of the shareholder across
Revenue Stamp

Note:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The proxy need not be a member of the company

Chitradurga Spintex Limited

Registered Office: No. 9, Bangalore Road, Challakere, Karnataka - 577522
CIN: L85110KA1990PLC011467

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the hall

I, hereby record my attendance at the Annual General Meeting of the members of Chitradurga Spintex Limited will be held on Friday, 16th September, 2016, at 11.00 A.M. at P. B. No. 9, Bangalore Road, Challakere, Karnataka - 577522

DP ID :		CLIENT ID :	
NAME AND ADDRESS OF SHAREHOLDER (IN BLOCK CAPITALS)		FOLIO NO.	

SIGNATURE OF THE SHARE HOLDER OR PROXY: _____

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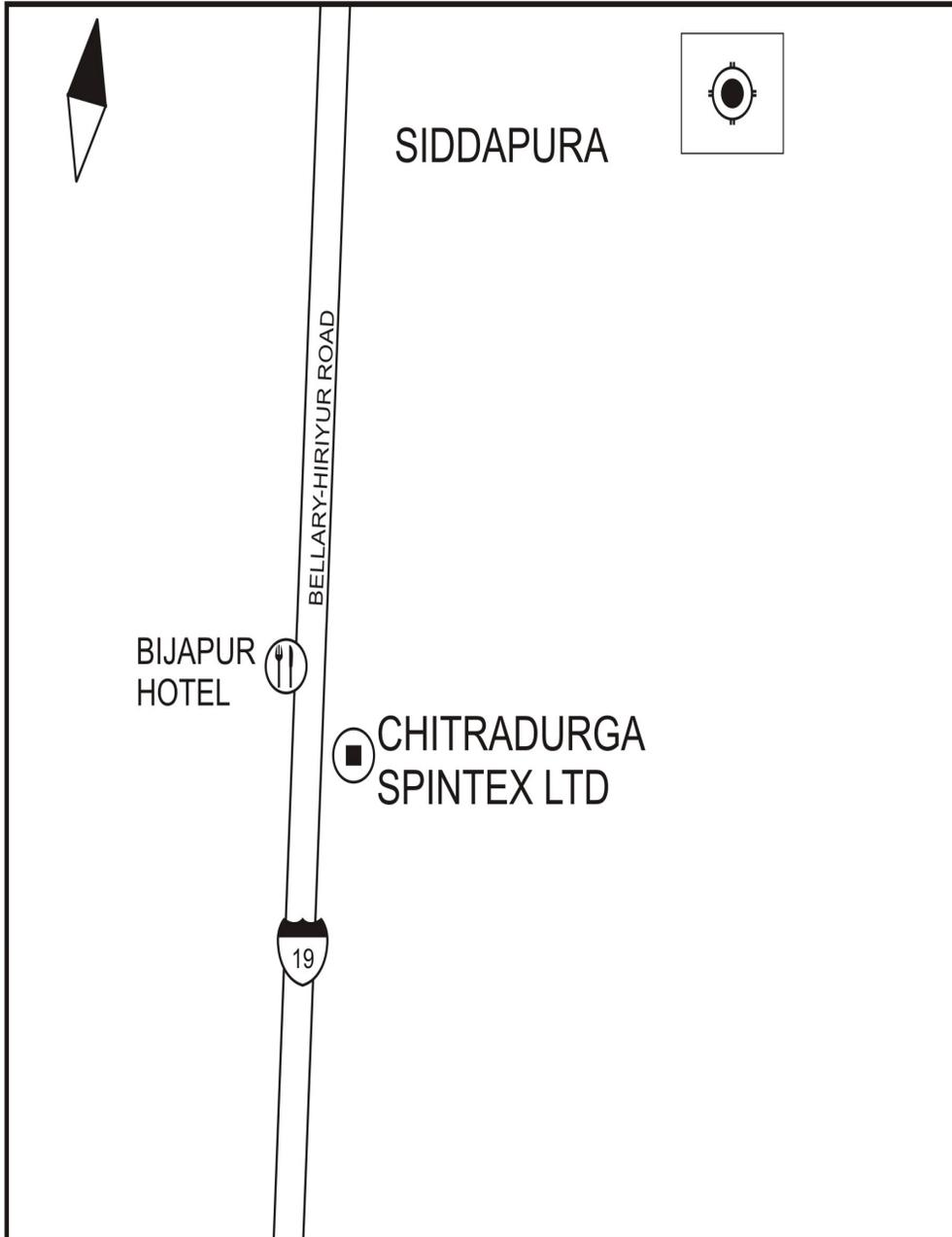
EVEN (Electronic Voting Event Number)	USER ID	PASSWORD/PIN

Note: E-voting period: 13th September, 2016 at 09.00 A.M. IST and ends on 15th September, 2016 at 05.00 P.M. IST.

If you have any query regarding e-voting Password/PIN, please contact at evoting@nsdl.co.in

ROUTE MAP FOR THE VENUE OF ANNUAL GENERAL MEETING

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



BOOK-POST

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