



# CHITRADURGA SPINTEX LIMITED

CIN:L85110KA1990PLC011467 PB

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Date: 6<sup>th</sup> September, 2019

To  
The Manager  
Department of Corporate Services  
Bombay Stock Exchange Ltd.  
Dalal Street, Fort  
Mumbai - 400 001

**Sub. :- Notice of Annual General Meeting and Annual Report for FY 2018-2019**

**Ref. :- Scrip Code - 521244**

Dear Sir / Madam,

With regards to the captioned subject find enclosed herewith Notice of Annual General Meeting of to be held on 30<sup>th</sup> September, 2019 and Annual Report for the FY 2018-2019.

Kindly take the same on your records and acknowledge the receipt.

Thanking you,

Yours faithfully,

**For Chitradurga Spintex Ltd.**

**S. Vishwanath**  
**Managing Director**  
**DIN: 00900773**



Encl: as above

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CHITRADURGA SPINTEX  
LIMITED



28<sup>TH</sup>  
ANNUAL REPORT (2018-19)

## BOARD OF DIRECTORS

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

Resigned w.e.f. 14<sup>th</sup> August, 2018

### REGISTERED OFFICE

**Add** P.B.No. 9, Bangalore Road, Siddapura Village,  
Challakere - 577522 - Karnataka

**Tel. No.** 08195-222258

**Fax No.** 08195-222336

**Website** [www.chitraspinltd.com](http://www.chitraspinltd.com)

**Email** [chitraspin@gmail.com](mailto:chitraspin@gmail.com)

### AUDITORS

**MNT & ASSOCIATES LLP**

**CHARTERED ACCOUNTANTS**

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

**Tel No.** 022-25379096/97/98

**Email** [ca.nishit.tanna@gmail.com](mailto:ca.nishit.tanna@gmail.com)

### REGISTRARS & SHARE TRANSFER

**CANBANK COMPUTER SERVICES LIMITED**

**Add** 218, J P Royale, 1<sup>st</sup> Floor, 2<sup>nd</sup> Main  
Sampige Road, (Near 14<sup>th</sup> Cross)  
Malleshwaram, Bangalore - 560003

**Tel No.** 080 - 23469661 / 62/ 64

**Web** [www.canbankrta.com](http://www.canbankrta.com)

**Email** [canbankrta@cctl.co.in](mailto:canbankrta@cctl.co.in)

### ANNUAL GENERAL MEETING

**Day** Monday

**Date** 30<sup>th</sup> September, 2019

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

**Time** 11:00 A.M.

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**NOTICE TO THE MEMBERS**

**CHITRADURGA SPINTEX LIMITED**  
**Registered office:** P B No. 9, Bangalore  
Road, Challakere, Karnataka - 577522  
**CIN:**L85110KA1990PLC011467  
**Email:** chitraspin@gmail.com  
**Tel. No. :** 08195-222258  
**Fax. No. :** 08195-222336  
**Website:** www.chitraspinltd.com

**NOTICE** is hereby given that the 28<sup>th</sup> Annual General Meeting of the Members of **CHITRADURGA SPINTEX LIMITED** will be held on Monday, 30<sup>th</sup> September, 2019 at 11.00 A.M. at P.B. No. 9, Bangalore Road, Challakere, Karnataka - 577522 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2019, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Shivanna Rajasekharappa, (DIN 00900916) who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS**

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

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

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

**By Order of the Board of Directors**

**Place: Challakere**  
**Date: 29<sup>th</sup> August, 2019**

**S. Rajasekharappa**  
**Chairman**

**REGISTERED OFFICE:**  
P B No. 9, Bangalore Road, Challakere  
Karnataka - 577522

**NOTES**

1. A statement giving the relevant details of the Director seeking re-appointment under Item No. 2 and 3 of the accompanying Notice.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the Company not later than Forty-Eight (48) hours before the Meeting. Proxies submitted on behalf of Limited Companies, Societies, etc., must be supported by appropriate resolutions/authority, as applicable.  
  
A person can act as proxy on behalf of Members not exceeding Fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
5. Share Transfer Books of the Company will remain closed from 24<sup>th</sup> September, 2019 to 30<sup>th</sup> September, 2019 (both days inclusive) for the purpose of Annual General Meeting (AGM) of the Company to be held on 30<sup>th</sup> September, 2019.
6. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
7. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
8. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the Meeting.
9. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its Members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants.
10. Members who hold shares in physical form are requested to send their e-mail address to the following: chitraspin@gmail.com.
11. The Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Registrar i.e. M/s. Canbank Computer Services Limited, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.

**13. E-Voting process**

1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to its members, to exercise their right to vote electronically (on resolution proposed to be considered at the 28<sup>th</sup> AGM to be held on 30<sup>th</sup> September, 2019) and the business may be transacted through e-voting services. E-voting will commence on 27<sup>th</sup> September, 2019 at 09.00 A.M. IST and ends on 29<sup>th</sup> September, 2019 at 05.00 P.M. IST. The Company has engaged the services of the National Securities Depository Limited (NSDL) to provide the e-voting facility. The Notice is displayed on the Company's website and on the website of NSDL.
2. The facility for voting through 'electronic voting system' or 'ballot (Poll) paper' will be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through such electronic voting system/ ballot (Poll) paper.

**Please read the below mentioned instructions before casting your vote:**

These details and instructions form an integral part of the Notice for the 28<sup>th</sup> Annual General Meeting of the Company to be held on 30<sup>th</sup> September, 2019.

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

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

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

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

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

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

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

4. Your User ID details are given below :

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

c) For Members holding shares in Physical Form.

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

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

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

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

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [payaltachakandassociates@gmail.com](mailto:payaltachakandassociates@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Pallavi Mhatre, Assistant Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 04<sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, at the designated email address or at telephone no. +91 22 24994545, who will also address grievances' connected with voting by electronic means.
4. You can also update your mobile number and e-mail ID in the user profile details of the folio, which may be used for sending future communication(s).
5. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e., 23<sup>rd</sup> September, 2019.
6. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23<sup>rd</sup> September, 2019, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [ravi@ccsl.co.in](mailto:ravi@ccsl.co.in).
7. A member may participate in the AGM even after exercising his right to vote through remote e-voting, but shall not be allowed to vote again at the AGM.
8. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through electronic voting system/ ballot (poll) paper.
9. Payal Tachak, Practicing Company Secretary (Membership No. ACS 38016, C. P. No. 15010) of Payal Tachak & Associates, Mumbai, has been appointed as the Scrutinizer for providing facility to the members of the Company, to scrutinize the voting and remote e-voting process in a fair and transparent manner.
10. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of '**electronic voting system**' or '**Ballot Paper**' for all those members who are present at the AGM and have not cast their votes by availing the remote e-voting facility.
11. The Scrutinizer shall, after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and shall submit not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.



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

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

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

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

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

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

**ANNEXURE TO ITEM NO. 2 AND 3 OF THE NOTICE**

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

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

Place: Challakere  
Date: 29<sup>th</sup> August, 2019

By Order of the Board of Directors

S. Rajasekharappa  
Chairman

**DIRECTOR'S REPORT**

To,  
The Members,

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

**1. FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY**

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

**Financial Summary as under:**

Particulars	[Amount in Rs.]	
	2018-19	2017-18
Gross Income	-	-
Profit / (Loss) Before Interest and Depreciation	(7,67,920)	(7,04,383)
Finance Charges	-	-
Gross Profit/(Loss)	(7,67,920)	(7,04,383)
Provision for Depreciation	-	-
Extraordinary Item	-	-
Net Profit/(Loss) Before Tax	(7,67,920)	(7,04,383)
Provision for Tax	-	-
Net Profit/(Loss) After Tax	(7,67,920)	(7,04,383)
Other Comprehensive Income	4,24,143	4,52,649
Balance of Profit brought forward	-	-
Balance available for appropriation	-	-
Proposed Dividend on Equity Shares	-	-
Tax on proposed Dividend	-	-
Transfer to General Reserve	-	-
Surplus carried to Balance Sheet	(3,43,777)	(2,51,734)

**2. COMPANY'S PERFORMANCE AFFAIR**

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

**3. DIVIDEND**

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

**4. RESERVES AND SURPLUS**

The balance of Profit & Loss statement amounting to Rs. (3,43,777)/- for Financial Year under review. The total reserves for the Financial Year 2018-19 is Rs. 67,41,349/-

**5. SHARE CAPITAL**

The total paid up share capital of the Company as on 31<sup>st</sup> March, 2019 is Rs. 46,10,300/- comprising of 4,61,030 Equity Shares of Rs. 10/- each.

**6. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

## 7. MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year **5 (Five)** Board Meetings and **4 (Four)** Audit Committee Meetings were convened and held. The details of which are given as under.

Sr. No.	Date	Sr. No.	Date
<b>Board Meeting</b>		<b>Audit Committee</b>	
1.	28 <sup>th</sup> May, 2018	1.	28 <sup>th</sup> May, 2018
2.	14 <sup>th</sup> August, 2018	2.	14 <sup>th</sup> August, 2018
3.	01 <sup>st</sup> October, 2018	3.	14 <sup>th</sup> November, 2018
4.	14 <sup>th</sup> November, 2018	4.	13 <sup>th</sup> February, 2019
5.	13 <sup>th</sup> February, 2019		

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

## 8. BOARD EVALUATION

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

## 9. COMMITTEES OF THE BOARD

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

### 1) Audit Committee

The Audit Committee of the Company reviews the reports to be submitted with the Board of Directors with respect of auditing and accounting matters. It also supervises the Company's financial reporting process. Due to resignation of directors, the composition of the Committee was reconstituted as under;

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

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

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

### 2) Nomination and Remuneration Committee

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

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

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

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

**3) Stakeholders Relationship Committee**

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

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

\*Appointed as Chairman w.e.f 14<sup>th</sup> August, 2018

\*\*Appointed as Member w.e.f. 14<sup>th</sup> August, 2018

\*\*\*Resigned from Directorship w.e.f. 14<sup>th</sup> August, 2018

**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:

- In the preparation of the annual accounts, the applicable accounting standards have been followed.
- The directors have 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.
- The directors have 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.
- The directors have prepared the annual accounts on a going concern basis.
- The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- The directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

**12. AUDITORS**

MNT & Associates LLP, Chartered Accountant, (FRN: W100115) is appointed as Statutory Auditors of the Company from conclusion of the Annual General Meeting [AGM] held in the year 2018 till the conclusion of 32<sup>nd</sup> Annual General Meeting to be held in the year 2023.

**13. AUDITOR'S 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, the Board has appointed Ms. Payal Tachak, proprietress of M/s. Payal Tachak & Associates, Practicing Company Secretary for the FY 2018-19.

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 as Key Managerial Personnel

The Board would like to bring to your notice that, the Company has been trying to find prospective candidate for the post of Company Secretary on the best efforts basis, but the Company has not been successful.

b) Regulation 6 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 Non appointment Qualified Company Secretary as Compliance Officer.

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

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

e) 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.

The Company will make the payment of Listing fees to the BSE Limited for Financial Year 2019-20. Company will make sure to do the payments within due dates in future.

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. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD MEETINGS AND GENERAL MEETINGS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

## 16. DISCLOSURES UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an anti sexual harassment policy in line with the requirements of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SH Act"). Internal Complaints Committees have been set up in accordance with the provisions of SH Act at the work place to redress sexual harassment complaint received. All employees (permanent or contractual trainees) are covered under the policy. No complaint was received from any employees of the Company or otherwise during the financial year 2018-19 and hence no complaint is outstanding as on 31 March, 2019 for redressal.

## 17. 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 under investors/policy documents/Vigil Mechanism Policy link.

**18. 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.

**19. 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**.

**20. 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.

**21. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standards operating procedures. The Company's internal control system is commensurate to the size, scale and complexities of its Operations.

**22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The Company has not entered any contracts or arrangements with related parties specified under Section 188 of Companies Act, 2013.

**23. 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.

**24. INDUSTRIAL RELATIONS**

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

**25. LISTING WITH STOCK EXCHANGES**

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

**26. 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 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.

## 27. 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: 13<sup>th</sup> August, 2019**

**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 31.03.2019

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 <sup>th</sup> 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 Website: <a href="http://www.chitraspinltd.com">www.chitraspinltd.com</a>
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 <sup>st</sup> Floor, 2 <sup>nd</sup> Main Sampige Road, (Near 14 <sup>th</sup> Cross) Malleshwaram, Bangalore - 560003 Tel No. - 080-23469660, 23469668 Email: canbankrta@ccsl.co.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)**

**A. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 01-April-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year[As on 01-April-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Any other	-	-	-	-	-	-	-	-	-
Person acting in concert	78620	1500	80120	17.38	78620	1500	80120	17.38	-
Directors & their relatives	240	2317	2557	0.55	240	2317	2557	0.55	-
<b>Total shareholding of Promoter (A)</b>	78860	3817	82677	17.93	78860	3817	82677	17.93	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds / UTI	-	5540	5540	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)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	5540	5540	1.20	-	5540	5540	1.20	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.	9639	12260	21899	4.75	8123	12450	20573	4.46	-0.29
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	113117	88700	201817	43.78	122074	81890	203964	44.24	0.46
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	109830	-	109830	23.82	109000	-	109000	23.64	-0.18
c) Others (specify)	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year[As on 01-April-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Non Resident Indians	10794	25910	36704	7.96	10794	25910	36704	7.96	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Hindu Undivided Families	2443	-	2443	0.53	2443	-	2443	0.53	-
ESOPs/ ESOS/ ESPS Employee Shareholders	-	120	120	0.03	-	120	120	0.03	-
Clearing Members	-	-	-	-	9	-	9	0.00	0.00
<b>Sub-total (B)(2):-</b>	245823	126990	372813	80.87	252443	120370	372813	80.87	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	245823	132530	378353	82.07	252443	125910	378353	82.07	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>324683</b>	<b>136347</b>	<b>461030</b>	<b>100</b>	<b>331303</b>	<b>129727</b>	<b>461030</b>	<b>100</b>	<b>-</b>

#### B. Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01-April-2018]			Shareholding at the end of the year [As on 31-March-2019]			% 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	2557	0.555	-	2557	0.555	-	-
2	Nandakishore Innani	250	0.054	-	250	0.054	-	-
3	Dwarakadas Innani	250	0.054	-	250	0.054	-	-
4	Vijay Kumar Innani	250	0.054	-	250	0.054	-	-
5	P Ramdas	250	0.054	-	250	0.054	-	-
6	C Champalal Jain	250	0.054	-	250	0.054	-	-
7	Usha Kumar J N	250	0.054	-	250	0.054	-	-

8	Ashok Kumar Innani	150	0.033	-	150	0.033	-	-
9	I V Mangala	10300	2.234	-	10300	2.234	-	-
10	S Rekha	10250	2.223	-	10250	2.223	-	-
11	Susheela S C	11610	2.518	-	11610	2.518	-	-
12	B Sumana	10300	2.234	-	10300	2.234	-	-
13	Shivanna Jaya Prakash	8470	1.837	-	8470	1.837	-	-
14	Shivanna Koteswar	14150	3.069	-	14150	3.069	-	-
15	Chikkahally Shivanna Manohar	13390	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	82677	17.93	-	-
	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	-	-
	At the end of the year	82677	17.93	-	-

**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.	<b>Vishal Dineshbhai Chavda</b>				
	At the beginning of the year	109830	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.): Sale On 10/09/2018	830	0.18	-	-
	At the end of the year	109000	23.64	-	-
2.	<b>Ventura Guaranty Ltd.</b>				
	At the beginning of the year	10890	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.):	No Change	No Change	-	-
	At the end of the year	10890	2.36	-	-

3.	<b>Zakirhusen Abdulhakim Mansuri</b>				
	At the beginning of the year	9845	2.14	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No Change	No Change	-	-
	At the end of the year	9845	2.14	-	-
4.	<b>Pradeep Bhutoria</b>				
	At the beginning of the year	7280	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.):	No Change	No Change	-	-
	At the end of the year	7280	1.58	-	-
5.	<b>Habibbhai Sifayatali Mansuri</b>				
	At the beginning of the year	7248	1.57	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No Change	No Change	-	-
	At the end of the year	7248	1.57	-	-
6.	<b>Pushpa Hirachand Bafna</b>				
	At the beginning of the year	6459	1.40	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No Change	No Change	-	-
	At the end of the year	6459	1.40	-	-
7.	<b>Bhavna Ashok Shah</b>				
	At the beginning of the year	5000	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.):	No Change	No Change		
	At the end of the year	5000	1.08		
8.	<b>P S Balasubramanyam</b>				
	At the beginning of the year	5000	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.):	No Change	No Change	-	-
	At the end of the year	5000	1.08	-	-
9.	<b>Shyam M Ganglani</b>				
	At the beginning of the year	5000	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.):	No Change	No Change	-	-
	At the end of the year	5000	1.08	-	-
10.	<b>Monika Sandip Shah</b>				
	At the beginning of the year	4942	1.07	-	-
	Date wise Increase / Decrease in	No Change	No Change	-	-

Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
At the end of the year	4942	1.07	-	-

**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.	<b>Shivanna Vishwanath (Managing Director)</b>				
	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	-	-	-	-
2.	<b>Shivanna Rajasekharappa (Director &amp; CFO)</b>				
	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.	<b>Prasannakumar Siddappa (Director)</b>				
	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.	<b>Namrata Subhash Malu (Director)</b>				
	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	-	-	-	-

### 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	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
		Prasannakumar Siddappa	Namrata Malu	
	Independent Directors			
	• Fee for attending board Committee Meetings	-	-	-
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (1)	-	-	-
	Other Non-Executive Director			
	• 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: 13<sup>th</sup> August, 2019S. Rajasekharappa  
Chairman

**ANNEXURE - II**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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]

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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, 2019 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, 2019 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 Securities and Exchange Board of India (Depositories and Participants) Act, 2018 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 2018-19:
  - 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 there under 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:

Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013;

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 extent 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.***

2. *Regulation 6 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 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. *Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 – Advertisement in News Paper*

*Pursuant 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 5 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.*
- c) *Statements of deviation(s) or variation(s) as specified in sub-regulation (1) of regulation 32 on quarterly basis, after review by audit committee and its explanation in directors report in Annual report;*
- d) *Notices given to shareholders by advertisement.*

***However, during the period under review, the Company has not complied with the requirements of the 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 atleast 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. *100% Promoter Shareholding in Demat Form - SEBI Circular SEBI/Cir/ISD/05/2011 dated 30<sup>th</sup> September, 2011 and SEBI Circular SEBI/Cir/ISD/03/2011 dated 17<sup>th</sup> June, 2011.*

*Further to the SEBI circular SEBI/Cir/ISD/03/2011 dated 17<sup>th</sup> June, 2011 and with reference to the SEBI Circular SEBI/Cir/ISD/05/2011 dated 30<sup>th</sup> 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 30<sup>th</sup> September, 2011.***

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 paid Annual Listing fees to BSE Limited for Financial Year 2019-20 within specified time limit.***

**I further report that** Securities and Exchange Board of India (SEBI) and Exchanges in order to enhance market integrity and safeguard interest of investors, have introduced Graded Surveillance Measures (GSM) wherein certain identified securities shall be subjected to enhanced monitoring and surveillance actions. The Company is kept under Graded Surveillance Measures (GSM) by BSE Limited.

**I further report that;** as informed to me, there is no such instance/transactions where the approval required to be taken from the Central Government, Tribunal, Regional Director, Registrar, Court or such other authorities under the various provisions of the Act, however, as per my observations those offences compoundable under the Act shall be compounded.

**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.

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.

**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.

**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 report that** the compliance by the Company of applicable financial laws, like direct and indirect tax laws, Accounting Standards etc. has not been reviewed in this Audit, since the same is subject to review by designated professional/s during the course of statutory financial audit.

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

**FOR PAYAL TACHAK & ASSOCIATES**  
**Practicing Company Secretary**

**CS PAYAL TACHAK**  
**Proprietor**  
**ACS 38016**  
**CP 15010**  
**Place: Mumbai**  
**Date: 13<sup>th</sup> August, 2019**

**'ANNEXURE A'**

To,  
The Members,  
**Chitradurga Spintex Limited**  
P.B. No. 9, Bangalore Road,  
Chitradurga 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: 13<sup>th</sup> August, 2019**

## MANAGEMENT DISCUSSION AND ANALYSIS

### Overview

No business was carried out by the Company during the reporting period. 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 loss of Rs. (3,43,777)/- during current financial year as against loss of Rs. (2,51,734)/- 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 31<sup>st</sup> March, 2019 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 31<sup>st</sup> March, 2019 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 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: 13<sup>th</sup> August, 2019**  
**Place: Challakere**

**Shivanna Rajasekharappa**  
**Chief Financial Officer (CFO)**

**Shivanna Vishwanath**  
**Managing Director**  
**DIN: 00900773**

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Chitradurga Spintex Limited

**Report on the Audit of the Standalone Ind AS Financial Statements****Opinion**

We have audited the accompanying Standalone Ind AS financial statements of Chitradurga Spintex Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit/loss including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Ind AS financial statements.

We have determined that there are no key audit matters to communicate in our report.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management for the standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate 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 Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If



we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **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, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; if applicable.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For MNT and Associates LLP  
Chartered Accountants  
FRN Number: 0W100115

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**NISHIT TANNA**

Partner

M. No. 153147

Place of Signature: Mumbai

Date: 29<sup>th</sup> May, 2019

**Annexure 1 – CARO 2016**

S No	Clause	Particulars
1.	(i) (a)	The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
2	(i) (b)	As per the information and explanations provided to us and according to the Financial Statements for the period ended 31 <sup>st</sup> March, 2019, the company does not hold any tangible Fixed assets and hence no physical verification of the assets is carried out.
3	(i) (c)	As per the information and explanations provided to us and according to the Financial Statements for the period ended 31 <sup>st</sup> March, 2019, the company does not hold any immovable properties.
4	(ii)	As per the information and explanations provided to us and according to the Financial Statements for the period ended 31 <sup>st</sup> March, 2019, the company had not bought or sold any inventory during the year and hence physical verification of the inventory has not been carried out by us.
5	(iii)	According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented
6	(iv)	In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
7	(v)	The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
8	(vi)	To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
9	(vii) (a)	The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.
10	(vii) (b)	According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
11	(vii) (c)	According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
12	(viii)	The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.

13	(ix)	According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
14	(x)	Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
15	(xi)	According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
16	(xii)	In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
17	(xiii)	According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
18	(xiv)	According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
19	(xv)	According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
20	(xvi)	According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**Annexure 2****ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF CHITRADURGA SPINTEX LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of M/s. CHITRADURGA SPINTEX LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls [based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India]. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

**Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and

dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019.

For MNT and Associates LLP  
Chartered Accountants  
FRN Number: 0W100115

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**NISHIT TANNA**

Partner

M. No. 153147

Place of Signature: Mumbai

Date: 29<sup>th</sup> May, 2019

## CHITRADURGA SPINTEX LIMITED

## Balance Sheet As At 31st March 2019

Particulars	Note No.	As At 31st March 2019	As At 31st March 2018
<b>ASSETS</b>			
<b>(A) Non Current assets</b>			
(i) Property ,Plant and Equipment		-	-
(ii) Investment Property		-	-
(iii) Deferred Tax Assets		-	-
(iv) Goodwill		-	-
(v) Financial Assets			
(a) Investments	1	11,000	11,000
(b) Loans	2	1,09,432	91,239
<b>(B) Current Assets</b>			
(i) Financial Assets			
(a) Cash and Cash equivalents	3	1,09,81,182	1,12,84,008
(b) Sundry Debtors		2,60,000	2,60,000
(c) Other Current Assets	4	1,41,340	1,77,153
<b>Total Rs.</b>		<b>1,15,02,954</b>	<b>1,18,23,400</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(i) Equity share capital	5	46,10,300	46,10,300
(ii) Reserve Fund		-	-
(iii) Other Equity	6	67,41,349	70,85,126
<b>(A) Non Current Liabilities</b>			
(i) Financial Liabilities		-	-
<b>(B) Current Liabilities</b>			
(i) Financial Liabilities			
(a) Trade Payables		50,112	50,112
(b) Other Current Liabilities	7	8,495	713
(c) Short Term Provisions	7	92,698	77,149
<b>Total Rs.</b>		<b>1,15,02,954</b>	<b>1,18,23,400</b>

Significant Accounting Policies and Notes on Accounts

For MNT AND ASSOCIATES LLP

Chartered Accountants

FRN No.:0W100115

For and on behalf of the Board

NISHIT TANNA

Partner

M.No.-153147

S. Rajashekarappa

Chairman &amp; CFO

DIN : 00900916

S. Vishwanath

Managing Director

DIN : 00900773

Place:- Mumbai

Date:- 29th day of May 2019

## CHITRADURGA SPINTEX LIMITED

## Statement of Profit and Loss for the year ended 31st March 2019

Particulars	Note No	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Revenue from operations</b>			
Other income		-	
<b>Total Rs.</b>		-	-
<b>Expenses:</b>			
Employee benefit expenses		-	1,30,249
Other expenses	8	7,67,920	5,74,134
<b>Total expenses</b>		<b>7,67,920</b>	<b>7,04,383</b>
Profit before exceptional items and tax		(7,67,920)	(7,04,383)
Profit before Tax		(7,67,920)	(7,04,383)
Tax expense:			
(1) Current tax		-	-
(ii) Deferred Tax		-	-
(iii) Excess tax provision for earlier years		-	-
<b>Profit (Loss) for the period</b>		<b>(7,67,920)</b>	<b>(7,04,383)</b>
<b>Other Comprehensive Income</b>			
A. (i) Items that will not be reclassified to profit or loss		4,24,143	4,52,649
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B. (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total Comprehensive Income for the period</b>		<b>(3,43,777)</b>	<b>(2,51,734)</b>
Earnings per Equity Share	9		
(1) Basic		(0.75)	(0.55)
(2) Diluted		(0.75)	(0.55)

Significant Accounting Policies and Notes on Accounts  
As per our Report attached

10

For MNT AND ASSOCIATES LLP

Chartered Accountants  
FRN No.:0W100115

NISHIT TANNA

Partner  
M.No.-153147

For and on behalf of the Board

S. Rajashekharappa  
Chairman & CFO  
DIN : 00900916

S. Vishwanath  
Managing Director  
DIN : 00900773



Place:- Mumbai

Date:- 29th day of May 2019

**CHITRADURGA SPINTEX LIMITED**  
**Cash Flow Statement for the year ended 31.03.2019**

Particulars	31.03.2019 (Amount )	31.03.2018 (Amount )
<b>A. <u>Cash Flow form Operating Activities</u></b>		
Net Profit / (Loss) before extraordinary items and tax	- 3 43 777	- 2 51 734
<u>Adjustments for :</u>		
(Profit) / loss on sale of assets		
Expenses on Capital Reduction		
Interest Income	-4,24,143	-4,52,649
<b>Operating profit / (loss) before working capital changes</b>	<b>-7,67,920</b>	<b>-7,04,383</b>
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Trade receivables		
Short-term loans and advances	35,813	13,634
<u>Adjustments for increase / (decrease) in operating Liabilities:</u>		
Trade Payables		
Other current liabilities	7,782	-1,253
Short-term provisions	15,549	-18,379
Cash generated from operations	-7,08,776	-7,10,381
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>-7,08,776</b>	<b>-7,10,381</b>
<b>B. <u>Cash flow from investing activities</u></b>		
Long-term loans and advances	0	4,900
Balance with Revenue Authorities	-18,193	15,395
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>-18,193</b>	<b>20,295</b>
<b>C. <u>Cash flow from financing activities</u></b>		
Interest Income	4,24,143	4,52,649
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>4,24,143</b>	<b>4,52,649</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>-3,02,826</b>	<b>-2,37,437</b>
Cash and cash equivalents at the beginning of the year	1,12,84,008	1,15,21,445
<b>Cash and cash equivalents at the end of the year</b>	<b>1,09,81,182</b>	<b>1,12,84,008</b>

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

*For and on behalf of the Board*

**For CHITRADURGA SPINTEX LIMITED**

**For MNT AND ASSOCIATES LLP**

Chartered Accountants  
FRN No.:0W100115

**NISHIT TANNA**  
Partner  
M.No.-153147

**S. Rajashekharappa**  
Chairman & CFO  
DIN : 00900916

**S. Vishwanath**  
Managing Director  
DIN : 00900773

Place:- Mumbai

Date:- 29th day of May 2019



## CHITRADURGA SPINTEX LIMITED

Notes Forming part of the financial statement for the year ended 31st March 2019

**1. Investments**

Particulars	As at 31.03.2019	As at 31.03.2018
Equity shares	8,000	8,000
NSC	3,000	3,000
<b>Total Rs.</b>	<b>11,000</b>	<b>11,000</b>

**2. Loans**

Particulars	As at 31.03.2019	As at 31.03.2018
Loans and Advances	1,09,432	91,239
<b>Total Rs.</b>	<b>1,09,432</b>	<b>91,239</b>

**3. Cash and Cash Equivalents**

Particulars	As at 31.03.2019	As at 31.03.2018
Cash on Hand (As Certified)	1,699	2,899
Balances with Scheduled Bank In Current Accounts	1,09,79,483	1,12,81,109
<b>Total Rs.</b>	<b>1,09,81,182</b>	<b>1,12,84,008</b>

**4. Other Current Assets**

Particulars	As at 31.03.2019	As at 31.03.2018
Accrued Interest	1,41,340	1,77,153
<b>Total Rs.</b>	<b>1,41,340</b>	<b>1,77,153</b>

**5. Equity share capital****AUTHORISED**

Particulars	As at 31.03.2019	As at 31.03.2018
5000000 Equity Shares of ` 10/- each	5,00,00,000	5,00,00,000
	<b>5,00,00,000</b>	<b>5,00,00,000</b>
<b><u>Shares issued, subscribed and paid up</u></b>		
461030 Equity Shares of ` 10/- each	46,10,300	46,10,300
<b>Total Rs.</b>	<b>46,10,300</b>	<b>46,10,300</b>

**(a) Terms/rights attached to Equity Shares**

The Company has only one class of Equity Shares having a par value of Rs.10/- each. Each holder of Equity Shares is entitled to one vote per shares. The dividend proposed by the Boards of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting. In the event of liquidation of the company, the holders of Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

**CHITRADURGA SPINTEX LIMITED****Notes Forming part of the financial statement for the year ended 31st March 2019****(b) Reconciliation of the Shares outstanding at the beginning and at the end of reporting period are as below:**

Equity shares outstanding at the beginning of the year	4,61,030	4,61,030	4,61,030	4,61,030
Equity shares issued during the year	-	-	-	-
Equity shares outstanding at the end of the year	4,61,030	4,61,030	4,61,030	4,61,030
<b>(c) Number of bonus shares issued</b>				
<b>Particulars</b>	<b>As at 31.03.2019</b>		<b>As at 31.03.2018</b>	
	<b>No of Shares</b>		<b>No of Shares</b>	
Bonus shares issued by capitalisation of reserves on dated	-		-	

**6. Other Equity**

Particulars	State Subsidy	Reserve & Surplus		Other Comprehensive Income
		Capital Reserve	Retained Earning	
As on 01/04/2017	20,00,000	13,69,231	26,25,629	13,42,000
Profit for the year	-	-	(7,04,383)	4,52,649
<b>Total</b>	20,00,000	13,69,231	19,21,246	17,94,649
<b>Less: Utilised for allotment of bonus shares</b>			-	
As at 31/03/2018	20,00,000	13,69,231	19,21,246	17,94,649
Profit for the year	-	-	(7,67,920)	4,24,143
As at 31/03/2019	20,00,000	13,69,231	11,53,326	22,18,792

**7. CURRENT LIABILITIES**

Particulars	As at 31.03.2019	As at 31.03.2018
<b>a) Other Current Liabilities</b>		
TDS	8,495	713
	<b>8,495</b>	<b>713</b>
<b>b) Short Term Provisions</b>		
Audit fees payable	35,400	30,680
Other provisions	57,298	46,469
	<b>92,698</b>	<b>77,149</b>
<b>Total Rs.</b>	<b>1,01,193</b>	<b>77,862</b>

**8. Other Expenses**

Particulars	For the Year ended 31.3.2019	For the Year ended 31.3.2018
Administrative Charges of EPF	1,400	-
Bank Charges	3,201	1,585
Filing Fee	4,800	6,600
Listing Fees	3,25,731	3,19,100
Postage & Telephone Charges	46,953	6,790
Professional Charges	2,58,140	94,100
R & T Charges	93,475	1,02,541
Professional Tax	-	10,375
Travelling expenses	-	1,583
<b><u>Auditors Remuneration</u></b>		
Audit Fees	34,220	31,460
<b>Total Rs.</b>	<b>7,67,920</b>	<b>5,74,134</b>

**9. Earnings Per Share**

Opening equity shares (Nos.)	4,61,030	4,61,030
Equity shares issued during the year (Nos.)	-	-
Closing equity shares (Nos.)	4,61,030	4,61,030
Weighted average number of equity shares used as denominator for basic earnings (Nos.)	4,61,030	4,61,030
Net profit after tax used as numerator (Amount in Rs.)	(3,43,777)	(2,51,734)
Basic earnings per Share (Amount in Rs.)	(0.75)	(0.55)
Diluted earnings per Share (Amount in Rs.)	(0.75)	(0.55)
Face value per share (Amount in Rs.)	10	10

**10. Notes****1. Nature of business**

The company was incorporated on 10.12.1990 under the provision of the Companies Act 1956, To carry on the business of Spinning (Textile). No business was carried out by the Company during the reporting period. Though there is no business is undertaken, its net worth remains positive and the Company has adequate resources to continue in operational existence for the foreseeable future.

The registered office of the Company is situated at P.B NO. 9, Bangalore Road, Challakere, Chitradurga KA 577522 India

The Financial statement were approved and adopted by board of directors of the Company in the meeting dated 29.05.2019.

**2. Summary of Significant Accounting Policies****2.1. BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Ind AS ) to comply with the Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the companies (Indian Accounting Standards (Amended) Rule 2016, The Company Adopted Ind AS w.e.f. April 01, 2017(with the transition date of April 01,2015) and accordingly these financial results (including all previous year comparative periods restated) have been prepared in accordance with the recognition and measurement principals prescribed under Section 133 of the Companies Act , 2013 read with the Relevant rules issued there under and other accounting principals generally accepted in India.

The Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities. This is based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents.

The Financial statement are present in INR and all figures are rounded off near to Rupee.

## 2.2. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

## 2.3. Earnings per share

Basic EPS is computed by dividing net profit after taxes for the year by weighted average number of equity shares outstanding during the financial year, adjusted for bonus share elements in equity shares issued during the year and excluding treasury shares, if any. Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## 2.4. Provisions & Contingencies

A provision is recognized when the company has a present obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation.

## 2.5. Financial Instruments:

### a) Financial Asset

Financial Assets are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those financial assets and the assets contractual cash flow Characteristics.

Subsequent measurements of financial assets are dependent on initial categorisation. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

### b) Financial Liability

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability.

## 2.6. Cash and Cash Equivalents

Cash and cash equivalents comprise cash and cash deposit with banks.

## 2.7. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.8. Ind AS - 108 relating to "Operating Segment" is not applicable as the company has only one segment i.e. real estate business.

## 3 Related Party Disclosure

- (a) The company has not paid any remuneration to its Key Managerial person during the year ended 31.03.2019:
- (b) As per Ind AS-24 "Related party Disclosure", the following are related parties:

Associate Companies	NIL
Joint Venture Company	NIL
Key Management Personnel and their relatives	1. Shivanna Rajasekharappa 2. Shivanna Vishwanath
Enterprises over which key management personnel and their relatives have significant influence	Chitradurga Sunflower Oil Complex Pvt Ltd

**4. Investment are stated at cost of acquisition.**

Quoted Investment:	Current Year	
	Units	Value (Rs.)
Equity shares	800	248

**5 Audit Fee**

**Payment to Auditors (inclusive of GST)**

(Amount in Rs.)

Particulars	2018-19	2017-18
Audit Fee	34,220	31,460
Limited Review	-	-
For Certification/ other Services	-	-

**6. Depreciation:**

The depreciation on assets has not been provided because company is not doing any commercial activities.

**7. Amount due to Micro, Small and medium Enterprises.**

There are no Micro and Small Scale Business Enterprises to whom the company overdues, which are outstanding for more than 45 days as at March 31<sup>st</sup> 2019. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. Therefore, the prescribed disclosures for liability of interest on overdue payment have not been given.

8. In the opinion of Board of Directors, current financial assets and other asset have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance sheet and provisions for liabilities are adequate.

**9. Previous year figures**

Figures of the previous year have been regrouped /reclassified wherever considered necessary to confirm to current year classification.

**For MNT AND ASSOCIATES LLP**

Chartered Accountants  
FRN No.:0W100115

**For and on behalf of the Board**

**NISHIT TANNA**  
Partner  
M.No.-153147

**S. Rajasekharappa**  
Chairman & CFO  
DIN : 00900916

**S. Vishwanath**  
Managing Director  
DIN : 00900773

Place:- Mumbai

Date:- 29th day of May 2019

**Chitradurga Spintex Limited**

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

CIN: L85110KA1990PLC011467

**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 28<sup>th</sup> Annual General Meeting of the Company, to be held on Monday, 30<sup>th</sup> September, 2019 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:

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 <sup>st</sup> March, 2019		
2.	Re-appointment of Mr. Shivanna Rajsekharapa who retires by rotation eligible for re-appointment		
3.	Re-appointment of Prasannakumar Siddappa as an Independent Director		

\* 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 Monday, 30<sup>th</sup> September, 2019 at 11.00 A.M. at P. B. No. 9, Bangalore Road, Challakere, Karnataka - 577522

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

SIGNATURE OF THE SHARE HOLDER OR PROXY: \_\_\_\_\_

----- ✂ ----- ✂ ----- ✂ -----

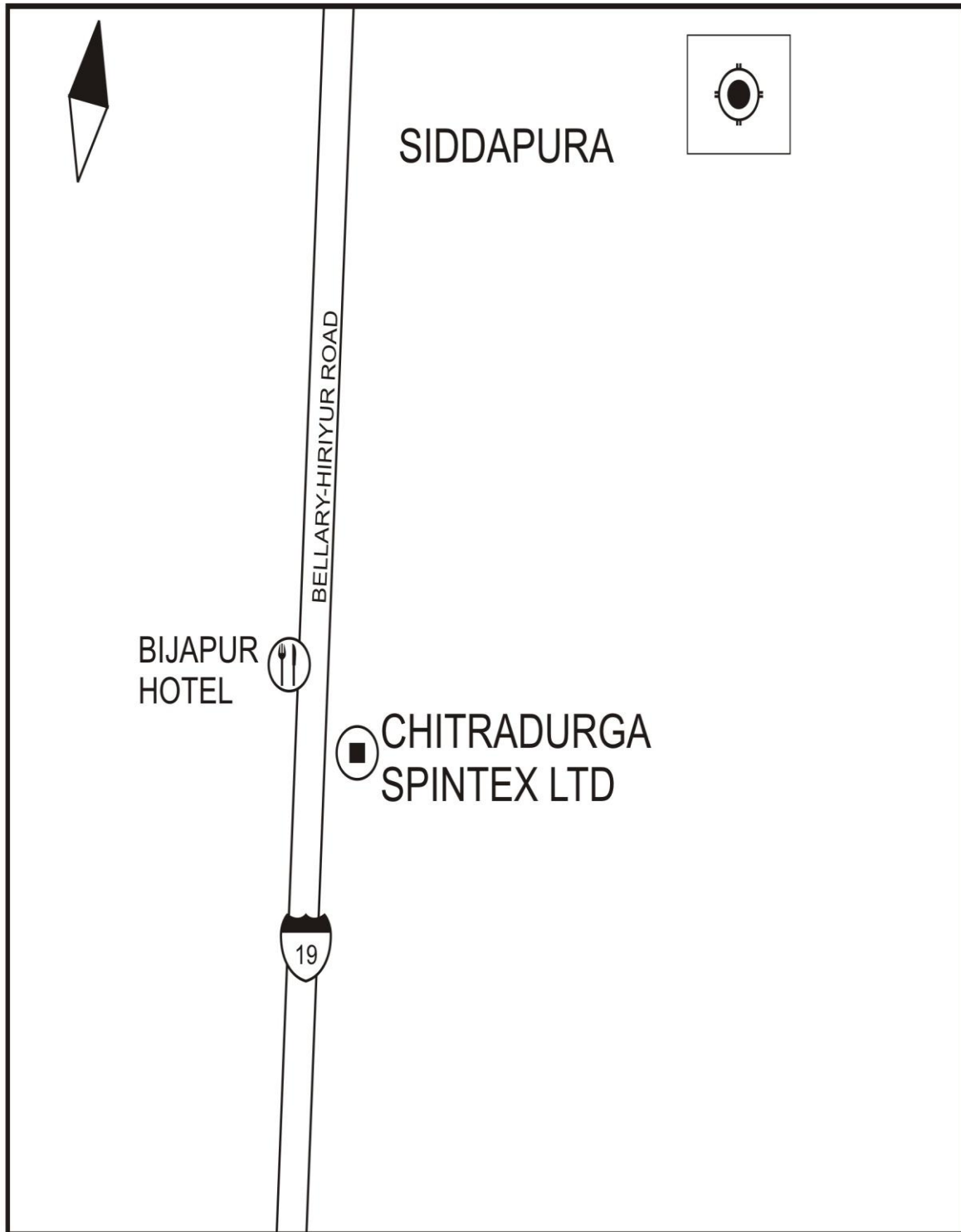
EVEN (Electronic Voting Event Number)	USER ID	PASSWORD/PIN

**Note:** E-voting period: 27<sup>th</sup> September, 2019 at 09.00 A.M. IST and ends on 29<sup>th</sup> September, 2019 at 05.00 P.M. IST.

If you have any query regarding e-voting Password/PIN, please contact at [evoting@nsdl.co.in](mailto: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, Chalakere,  
Karnataka - 577522