

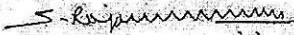



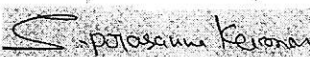



FORM B

1.	Name of the Company	Chitradurga Spintex Limited
2.	Annual Financial Statement for the year	31 st March, 2015
3.	Type of Qualification	Qualified
4.	Frequency of Qualification	Repetitive since 2008
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>Observation:-</p> <p>Auditors Qualifications basis of going concern.</p> <p>Management Response:-</p> <p>Management contends that the Company will be able to continue as going concern</p>
	Additional comments from the board/audit committee chairman:	Qualification on on-going concern is materially not agreed. Management has already taken all possible steps to improve the economic conditions.
5.	To be signed by-	
	CEO/Managing Director	  Mr. Shivanna Vishwanath
	CFO	  Mr. Shivanna Rajasekharappa
	Auditor of the Company	  Mr. Chetan N. Dedhia
	Audit Committee Chairman	  Mr. Prasannakumar Siddappa

CHITRADURGA SPINTEX LIMITED



24TH
ANNUAL REPORT (2014-15)

BOARD OF DIRECTORS

Mr. Shivanna Vishwanath	Managing Director
Mr. Shivanna Rajasekharappa	Executive Director & CFO
Mr. Shivanna Chandrashekhar	Non-Executive Director
Mr. Thippeswamy Siddappa Thippeswamy	Independent Director
Mr. Thippeswamy Sadashivamurthy	Independent Director
Mr. Prasannakumar Siddappa	Independent Director
Ms. Namrata Subhash Malu	Independent Director (w.e.f. 25 th March 2015)

REGISTERED OFFICE

Address : P.B.No. 9, Bangalore Road, Siddapura Village,
Challakere - 577522 - Karnataka

Tel. No. : 08195-222258

Fax No. : 08195-222336

Website : www.chitradurga.co.in

Email : chitraspin@gmail.com

AUDITORS**MR. CHETAN N. DEDHIA**

Chartered Accountants

Add : 48, Patwa Chambers, 104/108 Clive Road,
Masjid Bunder, Mumbai - 400 009

Tel No. : +91-22-23481354

Fax : +91-22-23484334

Email : cachetandedhia@gmail.com

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

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

Tel : 080-23469660, 23469668

Email : canbank_computer@dataone.in

Web : www.canbankrta.com

ANNUAL GENERAL MEETING

Day	Thursday
Date	24 th September, 2015
Venue	P.B No. 9, Bangalore Road, Challakere, Karnataka - 577522
Time	11.00 AM

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Registered office: P B No. 9, Bangalore
Road, Challakere, Karnataka - 577522
CIN:L85110KA1990PLC011467
Website: www.chitradurga.co.in
Email: chitraspin@gmail.com
Tel. No. : 08195-222258
Fax. No. : 08195-222336

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 24th Annual General Meeting of the Members of **CHITRADURGA SPINTEX LIMITED** will be held on **Thursday, 24th September, 2015** at **11.00 AM** at P.B. No. 9, Bangalore Road, Challakere, Karnataka - 577522 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2015, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint Mr. Chetan Dedhia, Chartered Accountants (Membership No. 044402), as the Statutory Auditor of the Company to hold office from the conclusion of this Meeting until the conclusion of the 27th (Twenty Seventh) Annual General Meeting of the Company (subject to ratification of his appointment at every Annual General Meeting) on such remuneration as may be agreed between the Board of Directors of the Company and the Auditor.

SPECIAL BUSINESS

3. **Appointment of Ms. Namrata Malu (DIN: 03583659) as an Independent Director as per Companies Act, 2013.**

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, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 read with (Appointment and Qualification of Directors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force Ms. Namrata Malu (DIN: 03583659), who was appointed as an Additional Director (Independent) pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company 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 her candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office, for five years effective from the date of appointment by the Board that is from 25th March 2015 to 24th March, 2020. ”

4. **Re-Appointment of Mr. Thippeswamy Siddappa Thippeswamy (DIN: 02752190) as an Independent Director as per Companies Act, 2013.**

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. Thippeswamy Siddappa Thippeswamy (DIN: 02752190), 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 four consecutive years for a term up to the conclusion of the 28th Annual General Meeting of the Company in the Calendar Year 2019.”

5. **Re-Appointment of Mr. Prasannakumar Siddappa (DIN: 02752176) as an Independent Director as per Companies Act, 2013.**

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 four consecutive years for a term up to the conclusion of the 28th Annual General Meeting of the Company in the Calendar Year 2019.

6. **Re-Appointment of Mr. Thippeswamy Sadashivamurthy (DIN: 02752123) as an Independent Director as per Companies Act, 2013.**

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. Thippeswamy Sadashivamurthy (DIN: 02752123), 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 four consecutive years for a term up to the conclusion of the 28th Annual General Meeting of the Company in the Calendar Year 2019.

7. **Adoption of New Articles of Association as per Companies Act, 2013.**

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to provisions of Section 14 and all other applicable provisions, if any, of Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or amendment thereto or re-enactment thereof for the time being in force), the new set of Articles of Association as placed before the meeting and initialed by the Chairman for the purpose of identification be and is hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.”

“RESOLVED FURTHER THAT any one of the directors of the Company be and is hereby authorized to sign and execute such forms, papers, documents, deeds and instrument and to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient by them for the purpose of giving effect to this resolution.”

8. **Creation of Charge on Movable and Immovable Properties of the Company, Both Present & Future**

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

“RESOLVED THAT pursuant to the provisions of Section 180 (1) (a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modifications or re-enactments thereof the members of the Company hereby accord their consent to the Board of Directors, including any committee thereof for the time being exercising the powers conferred on them by this resolution, to create

mortgage and/or charge on all or any of the moveable and/or immovable assets of the Company, both present and future and/or whole or any part of the Company in favour of the lenders, agents, trustees for securing the borrowings of the Company availed/to be availed by way of loans (in foreign currency and/or in Indian currency) and securities (comprising of fully/partly convertible debentures and/or secured premium notes and/or floating rates notes/ bonds or other debt instruments) issued/to be issued by the Company from time to time, in one or more tranches, up to an aggregate limit of 5 Crores (Rupees Five Crores Only), together with interest as agreed, additional interest in case of default, accumulated interest, liquidated damages and commitment charges, all other costs, charges and expenses and all other monies payable by the Company in terms of respective loan agreement(s) or any other document entered / to be entered into between the Company and the lenders/agents/investors and trustees in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or any committees thereof and the lenders, agents or trustees.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to finalize the terms and conditions for creating the aforesaid mortgage and/or charge and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to the above resolution.”

9. **Powers to the Board of Directors to Borrow Moneys in Excess of Paid up Capital and Free Reserves of the Company**

To consider and if thought fit to pass with or without modification(s), the following resolution as **Special resolution**:

“**RESOLVED THAT** subject to the provisions of Section 180 (1) (c) of the Companies Act, 2013 including any statutory modifications or re-enactments thereof and in supersession of all the earlier resolutions passed in this regard, the Board of Directors (hereinafter referred to as the Board), including any committee thereof for the time being exercising the powers conferred on them by this resolution, be and are hereby authorized to borrow money, as and when required, from, including without limitation, any Bank and/or Public Financial Institution as defined under Section 2 (72) of the Companies Act, 2013 and/or eligible foreign lender and/or any entity/entities and/or authority/authorities and/ or through suppliers credit, any other securities or instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, commercial papers, short term loans or any other instruments etc. and/or through credit from official agencies and/or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding Rs. 5 Crores (Rupees Five Crores Only), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specified purpose.”

“**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

By Order of the Board of Directors

Place: Challakere
Date: 13th August, 2015

S. Rajasekharappa
Chairman

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

NOTES

1. The relevant Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013, in respect of Special Business at the Meeting, is annexed hereto and forms part of this notice.
2. A statement giving the relevant details of the Director seeking appointment under Item no. 3 and Directors seeking re-appointment under Item Nos. 4, 5, and 6 of the accompanying Notice.
3. 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.

4. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
5. 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.
6. Share Transfer Books of the Company will remain closed from 18th September, 2015 to 24th September, 2015 (both days inclusive) for the purpose of Annual General Meeting (AGM) of the Company to be held on 24th September, 2015.
7. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements 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.
8. 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.
9. 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.
10. 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.
11. Members who hold shares in physical form are requested to send their e-mail address to the following: chitraspin@gmail.com
12. The Notice of the AGM along with the Annual Report 2014-15 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.
13. 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.

14. E-Voting process

- I. (a) The Company has provided 'remote e-voting' (e-voting from a place other than venue of the Annual General Meeting (AGM) facility through National Securities Depository Limited (NSDL) as an alternative, for all members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the notice of the 24th Annual General Meeting of the Company dated 13th August, 2015. (the AGM Notice)
- II. The facility for voting through ballot / polling paper shall be made available at the AGM and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the Meeting through ballot paper. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- III. The remote e-voting period commences on 21st September, 2015 (09:00 am) and ends on 23rd September, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 17th September, 2015 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is casted by the member, the member shall not be allowed to change it subsequently.
- IV. The Company has appointed Ms. Shilpa Parekh, Proprietress of S. G. Parekh & Co., a Practicing Company Secretary, as a Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. E-voting is optional. In terms of requirement of the Companies Act, 2013 and the relevant Rules, the Company has fixed 17th September, 2015 as the 'Cut-off Date'. The remote e-voting/voting rights of the shareholders / beneficial owners shall be reckoned on the equity shares held by them as on the cut-off Date i.e. 17th September, 2015 only.

The instructions for shareholders voting electronically are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Chitradurga Spintex Limited"
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned

copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to csshilpaparekh@gmail.com with a copy marked to evoting@nsdl.co.in

- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:
EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN
 - (ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast vote.
- IV. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at downloads Section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- V. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VI. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- VII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 17th September, 2015.
- VIII. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 17th September, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

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

- IX. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- X. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XI. Ms. Shilpa Parekh, Proprietress of S. G. Parekh & Co., a Practicing Company Secretary has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" or "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIII. The Scrutinizer shall after the conclusion of voting at the General Meeting, will first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 3 (Three) days of the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes casted in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XIV. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

ITEM NO. 3

Ms. Namrata Subhash Malu (DIN: 03583659) was appointed as an Additional Independent Director by the Board of Directors on 25th March, 2015. In accordance with the provisions of Section 161 of the Companies Act, 2013, pursuant to the said Section the above director holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member of the Company proposing her candidature for appointment as Director of the Company in accordance with the provisions of Section 160 of the Companies Act, 2013. Ms. Namrata Subhash Malu is not disqualified from being appointed as a Director in terms of Section 164 and Section 149 of the Act stipulates the criteria of Independence and pursuant to said Section an Independent Director can hold office for a term up to 5 (Five) consecutive years on the Board of the Company and shall not be included in the total number of directors for retirement by rotation. The Company has received a declaration from Ms. Namrata Subhash Malu that she meets the criteria of Independence as prescribed under Sub- Section (6) of Section 149 of the Act. The Board feels that presence of Ms. Namrata Subhash Malu on the Board is desirable and would be beneficial to the Company and hence recommend the resolution for adoption.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested in the proposed resolution except Ms. Namrata Subhash Malu to the extent of her appointment.

ITEM NO. 4 to 6

Mr. Thippeswamy Siddappa Thippeswamy (DIN: 02752190), Mr. Prasannakumar Siddappa (DIN: 02752176) and Mr. Thippeswamy Sadashivamurthy (DIN: 02752123) were appointed as Independent Directors of the Company on 31st October, 2003, 29th January, 2009 and 20th December, 2009 respectively. They were liable to retire by rotation at Annual General Meetings of the Company as per their terms of appointment and also as per Article 11 of Articles of Association 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 appoint Mr. Thippeswamy Siddappa Thippeswamy (DIN: 02752190), Mr. Prasannakumar Siddappa (DIN: 02752176) and Mr. Thippeswamy Sadashivamurthy (DIN: 02752123) as Independent Directors of the Company to hold office for 4 (Four) consecutive years for a term up to the conclusion of the 28th Annual General Meeting of the Company in the Calendar Year 2019, who shall not be liable to retire by rotation. Mr. Thippeswamy Siddappa Thippeswamy (DIN: 02752190), Mr. Prasannakumar Siddappa (DIN: 02752176) and Mr. Thippeswamy Sadashivamurthy (DIN: 02752123) have given the requisite declarations pursuant to Section 149 (7) of the Companies Act, 2013, to the effect that they meet the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013. The Company has also received notices along with requisite deposit under Section 160 of the Companies Act, 2013 proposing their 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. Thippeswamy Siddappa Thippeswamy, Mr. Prasannakumar Siddappa and Mr. Thippeswamy Sadashivamurthy to the extent of their appointment.

The Board recommends the Resolutions as set out at item Nos. 4 to 6 of the Notice for your approval.

ITEM NO. 7

The Articles of Association (hereinafter referred to as "AOA") of the Company as presently in force are based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific Sections of the Companies Act, 1956 which is no longer in force. Consequent upon coming into force of the Companies Act, 2013 several regulations of the existing AOA of the Company require alteration or deletion in several Articles. It is expedient to replace the existing AOA by the new set of Articles. The Company cannot alter its Articles of Association without the approval of members by passing a Special Resolution. The new set of Articles of Association is available for inspection at the registered office of the Company during normal business hours on any working day, excluding Saturday.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested in the proposed resolution.

ITEM NO. 8

In furtherance to the Resolution No. 8 of this notice, the said borrowings/ issue of securities may be required to be secured by way of mortgage/ charge over all or any part of the movable and/or immovable assets of the Company and as per provisions of Section 180 (1) (a) of the Companies Act 2013, the mortgage or charge on all or any part of the movable and/or immovable properties of the Company, may be deemed as the disposal of the whole, or substantially the whole, of the undertaking of the Company and hence, requires approval from the shareholders of the Company. Accordingly, it is proposed to pass an enabling resolution authorizing the Board to create charge on the assets of the Company for a value not exceeding Rs. 5 Crores (Rupees Five Crores Only).

The Directors recommends the resolution for members' approval as a Special Resolution. None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

ITEM NO. 9

As per Section 180 (1) (c) of the Companies Act, 2013, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up capital of the company and its free reserve requires approval from the shareholders of the Company.

The Company is in need of funds in order to recover from the accumulated losses. With a view to meet the funds requirements of the Company for both short term as well as long term, the Company may require to borrow from time to time by way of loans and/or issue of Bonds, Debentures or other securities and the existing approved limit may likely to be exhausted in near future and it is therefore recommended to enhance the borrowing limits of the Company up to Rs. 5 Crores (Rupees Five Crores Only).

ANNEXURE TO ITEMS 3, 4, 5 & 6 OF THE NOTICE

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

Name of the Director	Ms. Namrata Subhash Malu	Mr. Thippeswamy Siddappa Thippeswamy	Mr. Prasannakumar Siddappa	Mr. Thippeswamy Sadashivamurthy
Director Identification Number (DIN)	03583659	02752190	02752176	02752123
Date of Birth	19/09/1982	09/02/1941	20/07/1960	01/07/1962
Nationality	Indian	Indian	Indian	Indian
Date of Appointment on Board	25/03/2015	31/10/2003	29/01/2009	20/12/2009
Qualification	B.Com , MBA	BA	B. Com	BA
Shareholding in the Company	NIL	NIL	NIL	NIL
List of Directorships held in other Companies	1. Shree Manufacturing Co. Ltd. 2. Emgee Housing Private Limited	NIL	NIL	NIL
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	NIL	NIL	NIL	NIL

There are no inter-se relationships between the Board Members.

By Order of the Board of Directors

Place: Challakere

Date: 13th August, 2015

S. Rajasekharappa
Chairman

DIRECTOR'S REPORT

To,
The Members,

Your Directors have pleasure in presenting their 24th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2015.

1. FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY

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

[In Rs.]		
Particulars	2014-2015	2013-14
Gross Income	10,05,210	65,95,712
Profit / (Loss) Before Interest and Depreciation	2,66,267	56,17,385
Finance Charges	--	--
Gross Profit/(Loss)	2,66,267	56,17,385
Provision for Depreciation	--	--
Extraordinary Item	--	--
Net Profit/(Loss) Before Tax	2,66,267	56,17,385
Provision for Tax	--	--
Net Profit/(Loss) After Tax	2,66,267	56,17,385
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	2,66,267	56,17,385

2. COMPANY'S PERFORMANCE AFFAIR

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

3. DIVIDEND

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

4. RESERVES AND SURPLUS

The balance of Profit & Loss statement amounting to Rs. 2,66,267/- for Financial Year under review is transferred to reserves. The total reserves for the Financial Year 2014-15 is Rs. (3,39,03,613)/-

5. SHARE CAPITAL

The total paid up share capital of the Company as on 31st March, 2015 is Rs. 4,61,03,000/- comprising of 46,10,300 Equity Shares of Rs. 10/- each.

The Karnataka High Court vide its order dated 10th July 2015 has approved the scheme of reduction of capital on account of which the equity share capital of company will be reduced from 46,10,300 equity shares of Rs 10 each aggregating Rs 4,61,03,000 to 4,61,030 equity shares of Rs. 10 each aggregating to Rs.46,10,300. Accordingly an amount of Rs. 4,14,92,700 will be reduced from the equity share capital by setting it off against the accumulated losses of the company. The appointed date for the scheme was 1st April 2013.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to Section 161 of Companies Act, 2013, Ms. Namrata Malu (DIN: 03583659), has been appointed as an Additional Independent Director in the Board Meeting held on 25th March, 2015.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, Mr. Shivanna Rajasekharappa has been appointed as Chief Financial Officer in the Board Meeting held on 25th March, 2015.

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 **10 (Ten)** Board Meetings and **6 (Six)** Audit Committee Meetings were convened and held. The details of which are given as under.

Sr. No.	Date	Sr. No.	Date
	Board Meeting		Audit Committee
1.	12 th April, 2014	1.	19 th April, 2014
2.	21 st April, 2014	2.	21 st May, 2014
3.	21 st May, 2014	3.	23 rd May, 2014
4.	23 rd May, 2014	4.	06 th August, 2014
5.	06 th August, 2014	5.	13 th November, 2014
6.	16 th August, 2014	6.	11 th February, 2015
7.	13 th November, 2014		
8.	12 th January, 2015		
9.	11 th February, 2015		
10	25 th March, 2015		

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

During the year, in accordance with provisions of Companies Act, 2013, the Board of Directors of the Company has re-named the existing committee i.e., Stakeholders Relationship Committee and constituted Nomination and Remuneration Committee.

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

1) Audit Committee

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

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

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

2) Nomination and Remuneration Committee

The Company has constituted Nomination and Remuneration Committee and presently the Remuneration Committee comprises of 3 (Three) Directors.

The composition of the Nomination and Remuneration Committee is as under:

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

3) Stakeholders Relationship Committee

It was apprised to the Board that pursuant to requirements of Section 178 of the Companies Act, 2013, Company which has more than 1000 (One Thousand) shareholders at any time during a Financial Year shall constitute a 'Stakeholders' Relationship Committee' consisting of a Chairperson who shall be a Non-Executive Director and such other members as may be decided by the Board.

In view of above, the 'Shareholders Grievance Committee' formed as per the requirements of the Listing Agreement requires to be re-named/ re-constituted as 'Stakeholders Relationship Committee' and to merge and redesign the Company's 'Share Transfer Committee' along with the Stakeholders' Relationship Committee. The Committee, inter-alia, deals with various matters relating to:

- Transfer/transmission of shares;
- Issue of duplicate share certificates;
- Investors' grievances and redressal mechanism and recommend measures to improve the level of investor services.

Details of shares transfer/transmission approved by the Committee and Shareholders'/Investors' grievances are placed at the Board Meetings from time to time.

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

10. REMUNERATION POLICY

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

11. DIRECTORS' RESPONSIBILITY STATEMENT

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

- 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.

- c) 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.
- d) The directors have prepared the annual accounts on a going concern basis.
- e) The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

12. AUDITORS

The Auditor, Mr. Chetan Dedhia, Chartered Accountant, Mumbai, retire at the ensuing Annual General Meeting and, being eligible, offer himself for reappointment for a period from the conclusion of this Annual General Meeting [AGM] till the conclusion of 27th (Twenty Seventh) AGM.

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.

Regarding Auditor's comment on 'ongoing concern' the Director contend that the Company will be able to continue as going concern, though the Company has not undertaken any business activity, its net worth remains negative 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 and as borne out by AS16 issued by the Council of the ICAI, they continue to adopt the going concern basis in preparing the annual report and accounts.

Your Directors, continue to improve the financial viability of the Company and also take such steps as may be required under current laws and regulations in terms of disclosure and reporting required to be made to concerned statutory authorities.

14. SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Act and Rules made there under, M/s. S G Parekh & Co. , Practicing Company Secretary have been appointed Secretarial Auditors of the Company. 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) Non appointment of Company Secretary
The Board would like to bring to your notice that the Company has been trying to recruit a Company Secretary on best efforts basis since a long time but the Company has not been successful.
- b) Clause 41 - Publication of Results audited and unaudited in news paper
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.
- c) Non appointment of Internal Auditor
Due to financial constraints the Board decided to appoint the Internal Auditor in Next Financial year keeping in mind revival of the Company in near future.

d) Delay in compliance with Clause 31 of the Listing Agreement

The Board would like to inform that there was a delay of 10 days in complying with the requirements of Clause 31.

e) Non filing of certain forms with ROC

With regard to non filing of some forms were mainly due to ambiguity and uncertainty of the applicability of the same for the relevant period.

However, the Company would ensure in future that all the provisions are complied to the fullest extent. The report of the Secretarial Auditors is enclosed as Annexure II to this report.

15. VIGIL MECHANISM

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

16. RISK MANAGEMENT POLICY

A statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, this in the opinion of the Board may threaten the existence of the Company.

17. EXTRACT OF ANNUAL RETURN

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

18. CODE OF CONDUCT

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

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

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

20. INDUSTRIAL RELATIONS:

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

21. LISTING WITH STOCK EXCHANGES

The Company confirms that it has paid the Annual Listing Fees for the year 2015-2016 to BSE Limited where the Company's Shares are listed.

22. OTHER INFORMATION

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

1. During the year under the review, the Company has not given any new loans and not provided any Guarantees or made Investments under the provisions of Section 186 of the Companies Act, 2013;

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

23. ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Place: Challakere
Date: 13th August, 2015

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 31.03.2015

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

I. REGISTRATION & OTHER DETAILS:

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

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

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

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

Category of Shareholders	No. of Shares held at the beginning of the year[As on 01-April-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-

b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Person acting in concert	786200	15000	801200	17.378	786200	15000	801200	17.378	-
Directors & their relatives	2400	23300	25700	0.557	2400	23300	25700	0.557	-
Total shareholding of Promoter (A)	788600	38300	826900	17.936	788600	38300	826900	17.936	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds / UTI	-	55400	55400	1.202	-	55400	55400	1.202	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	55400	55400	1.202	0	55400	55400	1.202	0
2. Non-Institutions									

a) Bodies Corp.	118106	124600	242706	5.264	102262	124600	226862	4.921	-0.343
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	575595	748800	1324395	28.727	585250	746300	1331550	28.882	0.155
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1578203	177300	1755503	38.078	1602392	161000	1763392	38.249	0.171
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	106944	275800	382744	8.302	107944	275800	383744	8.324	0.022
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Hindu Undivided Families	21452	0	21452	0.465	21252	0	21252	0.461	-0.004
ESOPs/ ESOS/ ESPS Employee Shareholders	-	1200	1200	0.026	0	1200	1200	0.026	0
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	2400300	1327700	3728000	80.862	2419100	1308900	3728000	80.863	0.001
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2400300	1383100	3783400	82.064	2419100	1308900	3783400	82.065	0.001
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3188900	1421400	4610300	100	3207700	1402600	4610300	100	-

B) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01-April-2014]			Shareholding at the end of the year [As on 31-March-2015]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Chandrasekhar Shivanna	25700	0.557	-	25700	0.557	-	-
2	Nandakishore Innani	2500	0.054	-	2500	0.054	-	-
3	Dwarakadas Innani	2500	0.054	-	2500	0.054	-	-
4	Vijay Kumar Innani	2500	0.054	-	2500	0.054	-	-
5	P Ramdas	2500	0.054	-	2500	0.054	-	-
6	C Champalal Jain	2500	0.054	-	2500	0.054	-	-
7	Usha Kumar JN	2500	0.054	-	2500	0.054	-	-
8	Ashok Kumar Innani	1500	0.033	-	1500	0.033	-	-
9	I V Mangala	103000	2.234	-	103000	2.234	-	-
10	S Rekha	102500	2.223	-	102500	2.223	-	-
11	Susheela S C	116100	2.518	-	116100	2.518	-	-
12	B Sumana	103000	2.234	-	103000	2.234	-	-
13	Shivanna Jaya Prakash	84700	1.837	-	84700	1.837	-	-
14	Shivanna Koteswar	141500	3.069	-	141500	3.069	-	-
15	Chikkahally Shivanna Manohar	133900	2.904	-	133900	2.904	-	-

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	826900	17.936	826900	17.936
	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	No change	No change
	At the end of the year	826900	17.936	826900	17.936

D) Shareholding Pattern of top ten Shareholders:**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

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

	At the end of the year	70576	1.53	-	-
6.	Pushpa Hirachand Bafna				
	At the beginning of the year	62490	1.36	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No change	No change	-	-
	At the end of the year	62490	1.36	-	-
7.	P S Balasubramanyam				
	At the beginning of the year	50000	1.08	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No change	No change	-	-
	At the end of the year	50000	1.08	-	-
8.	Shyam M Ganglani				
	At the beginning of the year	50000	1.08	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No change	No change	-	-
	At the end of the year	50000	1.08	-	-
9.	Bhavna Ashok Shah				
	At the beginning of the year	50000	1.08	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No change	No change	-	-
	At the end of the year	50000	1.08	-	-
10.	Venkata Rao Mullapudi				
	At the beginning of the year	40000	0.87	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No change	No change	-	-
	At the end of the year	40000	0.87	-	-

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

1.	Chandrasekhar Shivanna (Director)				
	At the beginning of the year	25700	0.557	25700	0.557
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	25700	0.557	25700	0.557
2.	Shivanna Vishwanath (Managing Director)				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-
3.	Shivanna Rajasekharappa (Director & CFO)				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-
4.	Thippeswamy Sadashivamurthy (Director)				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-
5.	Prasannakumar Siddappa (Director)				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-
6.	Thippeswamy Siddappa Thippeswamy (Director)				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer /	-	-	-	-

	bonus/ sweat equity etc.):				
7.	Namrata Subhash Malu (Director)				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

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

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

A. Remuneration to Managing Director, Executive Director:

Sr. No.	Particulars of Remuneration	Name of Managing Director	Executive Director
		Mr. S. Vishwanath	Shivanna Rajasekharappa
1	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-

	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	11% of the Net of Profit	11% of the Net of Profit

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Thippeswamy Sadashivamurthy	Prasannakumar Siddappa	Thippeswamy Siddappa Thippeswamy	Namrata Subhash Malu	
	Independent Directors					
	• Fee for attending board Committee Meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
		Shivanna Chandrashekhar				
	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: 13th August, 2015S. Rajasekharappa
Chairman

ANNEXURE - II

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

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

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Chitradurga Spintex Limited** (hereinafter called "**the Company**"). The Secretarial Audit was conducted in a manner that provided me 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, 2015 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:

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, 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- iv. 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;
(Not Applicable to the Company during Audit Period)
- v. 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 (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not Applicable to the Company during Audit Period)**;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during Audit Period)**

- (f) 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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during Audit Period)** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable to the Company during Audit Period)**

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. **(Not notified hence not applicable to the Company during Audit Period)**
- (ii) The Listing Agreements entered into by the Company with BSE Limited.

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. Pursuant to the provisions of Sec 203 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
 - C. Chief Financial Officer.

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

2. Pursuant to clause 41 (III)(B) & 41(VI) of the Listing Agreement, the Company shall issue a public notice in at least in one English daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region, where the registered office of the company is situated for following matters:
 - a) Board meeting wherein quarterly unaudited / audited results are to be considered where Prior 7 clears day's intimation needs to be published.
 - b) Financial results within 48 hrs of the conclusion of Board or committee meeting at which they were approved.

However, during the period under review, the Company has not complied with the requirements of the aforesaid clause of the Listing Agreement.

3. Pursuant to the provisions of Section 139 of the Companies Act, 2013, every listed company is required to appoint an Internal Auditor to conduct internal audit of the functions and activities of the Company.

However, during the period under review, the Company has not appointed an Internal Auditor.

4. Annual Report for the Financial Year ended on 31st March, 2014 was submitted late with Stock Exchange/s and for the same the Company has paid penalty whatsoever imposed by the Bombay Stock Exchange and rectified the default to that extent.
5. The Directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder, however, the Company has not filed the resolution in form MGT-14 with the Registrar of Companies as required under the provisions of the Section 184, Section 179 along with Rule 8(5) under the Meeting of the Board and its Powers of the Companies Act, 2013.
6. The Company had not filed the resolution in Form MGT-14 with the Registrar of Company in respect of the Adoption of unaudited Quarterly results for the quarter ended 30th June 2014 as required under the provisions of the Section 179(3)(g) of the Companies Act, 2013.

I further report that; the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of

Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

(1) Members at the Extra Ordinary General Meeting held on 16th February 2015 in pursuance to Section 100 to 104 of the Companies Act 1956 (Section 66 of the Companies Act, 2013) and all applicable provision of Companies Act, 1956 and Companies Act, 2013 and subject to the confirmation by the High Court of Judicature at Bangalore, in the state of Karnataka, approved reduction of the paid-up share capital of the Company with effect from appointed date 01/04/2013, the accumulated losses of Rs. 4,14,92,700/- (Rupees Four Crores Fourteen Lacs Ninety Two Thousand & Seven Hundred only) of the Company be set off against the Rs. 4,61,03,000 (Rupees Four Crores Sixty One Lacs Three Thousand Only) fully paid up capital of the Company.

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 S G Parekh & Co.
Company Secretaries**

**Place: Mumbai
Date: 13th August, 2015**

**Shilpa Parekh
(Proprietor)
C.P No. 10746 ACS: 21939**

'ANNEXURE A'

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

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

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

For S G Parekh & Co.
Company Secretaries

Place: Mumbai
Date: 13th August, 2015

Shilpa Parekh
(Proprietor)
C.P No. 10746 ACS: 21939

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s Chitradurga Spintex Limited

Report on the Financial Statements

I have audited the accompanying financial statements of M/s Chitradurga Spintex Limited ("the Company") which comprise the balance sheet as at 31st March, 2015 and the statement of profit and loss and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I have taken into account the provisions of the Act and matters which are required to be included in the audit report under the provisions of the Act and Rules made there under.

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

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

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

Basis of Qualified Opinion

The accounting of gratuity on payment basis as per policy is contrary to generally accepted Accounting standards issued by the Institute of Chartered Accountants of India. The effect of the same on statement on profit & Loss is unascertained.

We draw the attention to the fact that the company is having accumulated loss of Rs 359.04 Lakhs as at the year ended 31-03-2015 which is more than 50% of its net worth, the company has to be treated as sick as per the provision of SICA, 1985. The company not yet started any particular business as stated in postal ballot on 30-10-2008 and as the company has sold all its fixed assets and there are no revenue generated during the

year except from interest income, along with other matters set out in the notes of the financial statements, the substantial doubt arise whether the company will be able to continue as going concern.

Qualified Opinion

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

(i) in the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2015;

(ii) in the case of the statement of profit and loss, of the profit for the year ended on that date.

and

(iii) in the case of the Cash flow statement, of the cash flow for the year ended on that date

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, I give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, I report that:
 - a. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
 - b. in my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
 - c. the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
 - d. in my opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules 2014 ; and
 - e. On the basis of written representations received from the directors as on 31st March, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of section 164 of the Companies Act, 2013.

CHETAN N. DEDHIA
Chartered Accountant
Membership No: 044402

Place: Mumbai
Date: 29-May-2015

Annexure to the Auditors' Report

The Annexure referred to in our report to the members of **Chitradurga Spintex Limited** ('The Company') for the year ended 31 March 2015 and on the basis of such checks as I considered appropriate and according to the information and explanations given to us during the course of our audit, I report that:

1. As the Company does not hold any fixed assets for the year, the requirement of clause (i) of paragraph 3 of the Order, is not applicable to the company.
2. As the Company does not hold any inventories for the year, the requirement of clause (ii) of paragraph 3 of the Order, is not applicable to the company.
3. The company has not granted any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained u/s 189 of the Act
4. The Company has not purchased any goods or fixed assets, and effected any sales during the year, thus requirement of clause (iv) of the Order are not applicable to the Company.
5. According to the information and explanation given to us, the Company has not accepted any deposits from the public. Therefore the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
6. As informed to us, the Central Government has not prescribed maintenance of Cost Records under sub-section (1) of the section 48 of the Act.
7.
 - a According to the records of the Company, undisputed statutory dues including Provident fund, employees' state insurance, income tax, sales tax, wealth tax, customs duty, excise duty, cess and other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2015 for a period of more than six months from the date of becoming payable.
 - b According to the information and explanation given to us, there are no disputed amounts payable in respect of income tax, Sales tax, Wealth tax, Customs duty, Excise duty and Cess outstanding as at the year end, except Entry Tax of Rs 3.91 Lakhs for the year 1992-93.
 - c There has not been an occasion in the case of the company during the year under the report to transfer any sums to the Investor Education and Protection fund in accordance with the relevant provisions of the Companies Act 1956(1 of 1956) and rules made there under.
8. The Company has accumulated loss of Rs.359.03 lakhs as at the end of the financial year which is more than fifty per cent of its net worth and it has made profit of Rs. 2.66 lakhs in the current year and had incurred a profit of Rs.56.17 lakhs immediately preceding financial year.
9. According to information and explanation given to us and the records examined by us, the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holder.
10. In our opinion and according to information and explanation given to us, company has not given any guarantee for loans taken by others from bank, financial institution.
11. In our opinion and based on information and explanations given to us by the management, term loans were applied by the Company for the purpose for which they were obtained.
12. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

CHETAN N. DEDHIA
Chartered Accountant
Membership No : 044402
Place : Mumbai
Date : 29-May-2015

BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars		Note No.	As at 31 March, 2015 Rs.	As at 31 March, 2014 Rs.
I. EQUITY AND LIABILITIES				
(1) Shareholders' funds				
	(a) Share capital	2	4,61,03,000	4,61,03,000
	(b) Reserves and surplus	3	-3,39,03,613	-3,41,69,881
	(c) Money received against share warrants		-	-
(2) Share application money pending allotment				
(3) Non-current liabilities				
(4) Current liabilities				
	(a) Short-term borrowings		-	-
	(b) Trade payables		-	-
	(c) Other current liabilities	4	8,274	1,835
	(d) Short-term provisions	5	1,60,852	1,07,127
TOTAL			1,23,68,513	1,20,42,081
II. ASSETS				
Non-current assets				
(1) (a) Fixed assets				
	(i) Tangible assets		-	-
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		-	-
	Intangible assets under development		-	-
	(b) Non-current investment	6	11,000	11,000
	(c) Long-term loans and advances	7	42,72,051	42,52,871
	(d) Other non-current assets		-	-
(2) Current assets				
	(a) Trade receivables		-	-
	(b) Cash and cash equivalents	8	67,93,304	77,38,760
	(c) Short-term loans and advances	9	12,92,158	39,449
TOTAL			1,23,68,513	1,20,42,081
<i>The Notes referred to above form an integral part of the Financial Statement</i>				

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

For and on behalf of the
Board

For CHITRADURGA SPINTEX LIMITED

CHETAN N DEDHIA
Chartered Accountants
Membership Number : 044402
Mumbai, 29 May, 2015

S. Rajashekharappa **S. Vishwanath**
Chairman Managing Director
Challakere, 29 May, 2015

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars		Note No.	As at 31 March, 2015 Rs.	As at 31 March, 2014 Rs.
I.	Revenue from operations	10	-	-
II.	Other income	11	10,05,210	65,95,712
III.	Total Revenue (I + II)		10,05,210	65,95,712
IV.	Expenses:			
	Employee benefits expense	12	2,23,284	2,23,535
	Depreciation and amortization expense		-	-
	Other expenses	13	5,15,659	7,54,792
	Total expenses		7,38,943	9,78,327
V.	Profit before exceptional and extraordinary items and tax (III-IV)		2,66,267	56,17,385
VI.	Tax expense:			
	(1) Current tax		-	-
	(2) Current tax expense relating to prior years		-	-
	(3) Deferred tax		-	-
VII.	Profit (Loss) for the period from continuing operations (V-VI)		2,66,267	56,17,385
VIII.	Transferred to General Reserves		-	-
	Balance carried forwarded		2,66,267	56,17,385
IX.	Earnings per equity share:			
	(1) Basic		0.06	1.22
	(2) Diluted		0.06	1.22

The Notes referred to above form an integral part of the Balance Sheet.

For and on behalf of the Board

For CHITRADURGA SPINTEX LIMITED

CHETAN N DEDHIA
Chartered Accountants
Membership Number : 044402
Mumbai, 29 May, 2015

S. Rajashekharappa
Chairman

S. Vishwanath
Managing Director
Challakere, 29 May, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015

Particulars		31.03.2015	31.03.2014
		(Amount Rs.)	(Amount Rs.)
A.	Cash Flow form Operating Activities		
	Net Profit / (Loss) before extraordinary items and tax	2 66 267	56 17 385
	<i>Adjustments for :</i>		
	(Profit) / loss on sale of assets	-	-64,42,523
	Rental income from operating leases	-	-1,919
	Interest Income	-10,05,210	-1,51,270
	Operating profit / (loss) before working capital changes	-7,38,943	-9,78,327
	<i>Adjustments for (increase) / decrease in operating assets:</i>		
	Trade receivables	-	11,844
	Long-term loans and advances	-19,180	-
	Short-term loans and advances	-12,52,709	-1,87,949
	<i>Adjustments for increase / (decrease) in operating Liabilities:</i>		
	Trade Payables	-	-
	Other current liabilities	6,439	-12,037
	Short-term provisions	53,726	-11,085
	Cash generated from operations	-19,50,667	-11,77,555
	Net cash flow from / (used in) operating activities (A)	-19,50,667	-11,77,555
B.	Cash flow from investing activities		
	Proceeds from sale of fixed assets	-	1,22,50,000
	Long Term Loan given	-	-40,00,000
	Rental income from operating leases	-	1,919
	Net cash flow from / (used in) investing activities (B)	-	82,51,919
C.	Cash flow from financing activities		
	Interest Income	10,05,210	1,51,270
	Net cash flow from / (used in) financing activities (C)	10,05,210	1,51,270
	Net increase / (decrease) in Cash and cash equivalents (A+B+C)	-9,45,457	72,25,634
	Cash and cash equivalents at the beginning of the year	77,38,760	5,13,126
	Cash and cash equivalents at the end of the year	67,93,304	77,38,760

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

For and on behalf of the Board
For CHITRADURGA SPINTEX LIMITED

CHETAN N DEDHIA
Chartered Accountants
Membership Number : 044402
Mumbai, 29 May, 2015

S. Rajasekharappa
Chairman

S. Vishwanath
Managing Director
Challakere, 29 May, 2015

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**1. SIGNIFICANT ACCOUNTING POLICIES****Basis for preparation of accounts**

The financial statements have been prepared on an accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles in India, provisions of the Companies Act, 2013 and comply in material aspects with the accounting standards notified under Section 133 of the Act, read with Companies (Accounting Standards) Rules, 2014, except for gratuity which is accounted on cash basis.

Estimates

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

Revenue Recognition

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

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

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

Government Grants and Subsidies

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

Tangible Fixed Assets

There are no Fixed Assets

Depreciation and Amortisation

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

Valuation of Inventories

There was no inventory in the current financial year.

Foreign Currency Transaction

There was no foreign currency transaction during the year.

Investments

Non-current investments are stated at cost

Retirement Benefits

Periodic contributions towards post retirement benefit plan such as provident fund are charged to the

Statement of Profit and Loss. However, no provision for gratuity is made which is contrary to the Accounting Standard 15 issued by The Institute of Chartered Accountants of India.

Taxation

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

Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Deferred Tax

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

2. SHARE CAPITAL

Particulars	As at 31 March, 2015 Rs	As at 31 March, 2014 Rs
i. Authorised 5000000 Equity Shares of Rs 10/- each	5,00,00,000	5,00,00,000
ii. Issued, Subscribed and Fully Paid Up 4610300 Equity Shares of Rs 10/- each	4,61,03,000	4,61,03,000
Total	4,61,03,000	4,61,03,000

iii. There is no change in the shares outstanding at the beginning and at the end of the reporting date and immediately preceding reporting date.

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

Name of Shareholders	As at 31st March 2015		As at 31st March 2014	
	No. of Shares held	% held	No. of Shares held	% held
1. Vishal Dineshbhai Chavda	10 98 300	23.82%	10 98 300	23.82%

3. RESERVES AND SURPLUS

Particulars	31st March, 2015 Rs	31st March, 2014 Rs
1. State Government Subsidy	20,00,000	20,00,000
	20,00,000	20,00,000
2. Profit and Loss Account		
Opening balance	-3,61,69,881	-4,17,87,266
Add: Current Year Profit	2,66,267	56,17,385
Closing balance	-3,59,03,614	-3,61,69,881
Total a + b	-3,39,03,614	-3,41,69,881

4. OTHER CURRENT LIABILITIES

Particulars	Sub-Notes	31st March, 2015 Rs	31st March, 2014 Rs
Statutory Dues	i	8,274	1,835
Total		8,274	1,835

5. SHORT-TERM PROVISIONS

Particulars	Sub-Notes	31st March, 2015 Rs	31st March, 2014 Rs
1. Provision for employee benefits Salary Payable - Others		18,608	18,608
2. Provision - others Audit Fees		58,428	29,214
Provision for Expenses	ii	83,817	59,305
Total		1,60,853	1,07,127

6. NON-CURRENT INVESTMENT

Particulars	31st March, 2015 Rs	31st March, 2014 Rs
Investment in Shares -800 Equity shares in G.R. Cables Ltd. Paid up (Market Value - Rs. 560/-)	8,000	8,000
Investment in Government securities -National Saving Certificate (unquoted)	3,000	3,000
Total	11,000	11,000

7. LONG-TERM LOANS AND ADVANCES

Particulars	Sub-Notes	31st March, 2015 Rs	31st March, 2014 Rs
D & C Kairos		40,00,000	40,00,000
Security Deposits	iii	4,900	4,900
Balance with Revenue Authorities-TDS	iv	2,67,151	2,47,971
Total		42,72,051	42,52,871

PARTICULARS OF LOANS U/S 186

Date of providing loan	Details of borrowers with security	Amount & Rate of Int	Purpose	Time period for which it is given	Date of BR	Date of SR (if required)
24 th March, 2014	D & C Kairos (Unsecured)	2500000 (12%)	Expansion of Business	Repayable on Demand	3 rd Feb, 2014	NA
28 th March, 2014	D & C Kairos (Unsecured)	1500000 (12%)	Expansion of Business	Repayable on Demand	3 rd Feb, 2014	NA

8 CASH AND CASH EQUIVALENTS

Particulars	Sub-Notes	31st March, 2015 Rs	31st March, 2014 Rs
Balances with banks	v	67,75,885	77,30,073
Cash on hand		17,419	8,688
Total		67,93,304	77,38,760

9. SHORT-TERM LOANS AND ADVANCES

Particulars	Sub-Notes	31st March, 2015 Rs	31st March, 2014 Rs
Other Advances	vi	12,92,158	39,449
Total		12,92,158	39,449

10. REVENUE FROM OPERATIONS

Particulars	31st March, 2015 Rs	31st March, 2014 Rs
a. Income From Operating revenue	-	-
b. Other operating revenues	-	-
Total	-	-

11. OTHER INCOME

Particulars	Sub-Notes	31st March, 2015 Rs	31st March, 2014 Rs
a) Interest Income	vii	10,05,210	1,51,270
b) Profit on Sale of Freehold land		-	35,24,625
c) Profit on Sale of building		-	29,17,898
d) Rent		-	1,919
Total		10,05,210	65,95,712

12. EMPLOYEE BENEFITS EXPENSE

Particulars	31st March, 2015 Rs	31st March, 2014 Rs
Salaries and allowances		
To Directors	-	-
To Others	1,88,640	1,88,640
Employees Provident Fund	25,680	25,680

Employees State Insurance	8,964	8,970
Staff welfare	-	245
Total	2,23,284	2,23,535

13. OTHER EXPENSES

Particulars	31st March, 2015 Rs	31st March, 2014 Rs
Operating Exp		
Office Administrative Expenses:		
Advertisement Expenses	12,426	73,797
Auditors Remuneration	29,214	29,214
Annual General Meeting Expenses	25,736	38,724
Bank Charges	-14,493	19,245
EPF Interest Paid	2,760	
Listing Fees	1,29,375	1,46,247
Postage & Telephone	1,41,721	805
Printing & Stationary	50,400	37,822
Professional Charges	35,330	2,55,960
Rates and Taxes	10,467	34,098
Repairs & Maintenance	-	14,127
R & T Expenses (Folio Maintenance)	86,161	74,593
Sales Tax (2009-10)	3,365	
Travelling Expenses	3,197	30,160
Total	5,15,659	7,54,792

AUDITORS REMUNERATION

Particulars	31st March, 2015 Rs	31st March, 2014 Rs
Statutory Audit	29,214	29,214
Tax Audit	-	-
Certification	-	-
Total	29,214	29,214

EARNING PER SHARES

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

Particulars	31st March, 2015	31st March, 2014
Net Profit & Loss as per profit & loss account (amount in Rs) (A)	2,66,267	56,17,385
Number of equity shares of Rs 10 each at the beginning of the year	4,61,03,000	4,61,03,000
Number of equity shares of Rs 10 each at the end of the year	4,61,03,000	4,61,03,000
Weighted average number of equity shares of Rs 10 each outstanding during the year (B)	4,61,03,000	4,61,03,000
Earning per shares (Basic and Diluted) (amount in `) (A)/(B)	0.06	1.22

RELATED PARTY DISCLOSURES

Name of the Related Parties	Relationship	As at 31st March 2015 (Rs)	As at 31st March 2014 (Rs)
Sale of Fixed assets S. Rajasekharappa	Chairman	NIL	1,22,50,000

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

For and on behalf of the Board
For CHITRADURGA SPINTEX LIMITED

CHETAN N DEDHIA
Chartered Accountants
Membership Number : 044402
Mumbai, 29 May, 2015

S. Rajasekharappa
Chairman

S. Vishwanath
Managing Director
Challakere, 29 May, 2015

*Sub-Notes on Financial Statements for the year ended 31st March, 2015***(i) STATUTORY DUES**

Particulars	31st March, 2015	31st March, 2014
	Rs	Rs
TDS on Contract	2,656	1,835
NSDL (Voting Exp)	5,618	-
Total	8,274	1,835

(ii) Provision for Expenses

Advertisement Payable	10,593	19,464
R & T Expenses Payable	23,894	10,900
Professional Fees Payable	49,330	28,941
Total	83,817	59,305

(iii) Security Deposits

Mobile Deposit	3,900	3,900
Telephone Deposit	1,000	1,000
Total	4,900	4,900

(iv) Balance with Revenue Authorities-TDS

I T Deduction 2009-10	8,151	8,151
I T Deduction 2010-11	10,504	10,504
I T Deduction 2011-12	56,527	56,527
I T Deduction 2012-13	5,390	5,390
I T Deduction 2013-14	-	30,660
I T Deduction 2014-15	1,36,739	1,36,739
I T Deduction 2015-16	49,840	-
Total	2,67,151	2,47,971

(v) Balances with Banks

ICICI Bank	2,25,592	77,28,336
Canara Bank	1,737	1,737
Kotak Mahindra Bank FD	65,48,556	-
Total	67,75,885	77,30,073

(vi) Other Advances

Interest On NSC	2,002	2,002
Sundry Advances	28,155	28,570

Interest due from D & C		
Kairos	5,12,001	8,877
Wave Advisory	7,50,000	-
Total	12,92,158	39,449

(vii) Interest Income

Fixed Deposit Interest	4,98,396	1,42,393
Interest on advance	5,03,124	8,877
Interest on IT Refund	3,690	-
Total	10,05,210	1,51,270

**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 24th Annual General Meeting of the Company, to be held on Thursday, 24th September, 2015 at 11.00 A.M. at P.B. No. 9, Bangalore Road, Challakere, Karnataka - 577522 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

Sr. No.	Resolution(S)	Vote	
		For	Against
1.	Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the Financial year 31 st March, 2015		
2.	Re-appointment of Mr. Chetan Dedhia , Chartered Accountant as Statutory Auditors & fixing their remuneration		
3.	Appointment of Ms. Namrata Malu as Independent Woman Director		
4.	Re-appointment Mr. Thippeswamy Siddappa Thippeswamy as an Independent Director		
5.	Re-appointment Mr. Prasannakumar Siddappa as an Independent Director		
6.	Re-appointment Mr. Thippeswamy Sadashivamurthy as an Independent Director		
7.	Adoption of new set of Articles of Association as per Companies Act, 2013.		
8.	Creation of Charge on Movable and Immovable Properties of the Company, Both Present & Future		
9.	Powers to the Board of Directors to Borrow Moneys in Excess of Paid up Capital and Free Reserves of the Company		

* 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 Thursday, 24th September, 2015, at 11.00 A.M. at P. B. No. 9, Bangalore Road, Challakere, Karnataka - 577522

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

SIGNATURE OF THE SHARE HOLDER OR PROXY: _____

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

Note: E-voting period: 21st September, 2015 at 09.00 A.M. IST and ends on 23rd September, 2015 at 05.00 P.M. IST.

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