

**Group
Cheviot**

CHEVIOT COMPANY LIMITED

CIN: L65993WB1897PLC001409

Registered & Administrative Office

24 Park Street, Magma House, 9th Floor, Kolkata-700 016

Ph: 82320 87911/12/13; Fax (033) 2249 7269 / 2217 2488

Email: cheviot@chevjute.com ; Website: www.groupcheviot.net

Ref: CCL/Share/

Date: 28th June 2019

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400 001

Ref: Company's Code No. 526817

Cheviot Company Limited: ISIN - INE974B01016

Dear Sir/Madam,

Re: Cheviot Company Limited – Annual Report for the year ended 31st March, 2019

Pursuant to Regulations 30 and 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the year ended 31st March, 2019 together with Notice dated 27th May, 2019 convening the Annual General Meeting of the Company on Wednesday, 24th July, 2019 at 11:00 a.m. at The Sitaram Seksaria Auditorium of Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata-700 017.

Kindly take the above on record.

Thanking you

Yours faithfully

For Cheviot Company Limited


(Aditya Banerjee)

**Company Secretary
and Compliance Officer**

Encl. as stated above



**Group
Cheviot**



ACHIEVING GREENER HORIZONS



CHEVIOT COMPANY LIMITED

Annual Report | 2018-19



For more information log on to : www.groupcheviot.net

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At Cheviot, we constantly strive to achieve and maintain customer satisfaction by providing the finest quality of Jute Goods.

OUR QUALITY POLICY:

- Develop a congenial work culture by creating awareness and encouraging employees at all levels in the organisation to express quality issues
- Facilitate continuous enhancement of knowledge and skills through learning and training initiatives
- Adopt all safety measures
- Treat suppliers as partner in progress of the organisation
- Develop a satisfied customer base by serving their requirements with full understanding
- Review of quality monitoring systems to observe its adequacy and scope of improvements

We continuously challenge ourselves to deliver premium quality of products. Our quest for excellence transpires in building the Trust of our Customer and helps us in **achieving greener horizons.**



Over 122 years of excellence in Jute

The year 1897. The day 27th December... a day which saw the birth of a Company for manufacturing Eco Friendly Jute Fabrics and Bags.

Over the years, the Company has excelled in specialization and upgradation of manufacturing facility and gradually transformed the plant from jute manufacturing unit into a modern textile unit. Today, Cheviot Company Limited owns two state-of-the-art jute manufacturing units in South 24 Parganas, West Bengal.

Keeping with the pace of consistent growth, the Company continues to build its capacities for manufacturing diversified and customised jute products.

Jute has wide variety of uses. No harmful effluents are generated in the process of producing jute products. With digitisation and automation, the Company is hopeful to penetrate in new markets for sale of jute products in coming years.



Vision:

To produce and supply environmental friendly jute products conforming to international standards and create value for our stakeholders.



Mission:

- To improve the environment around us
- Transparency and fair business ethics
- Long term vision and commitment
- Financial stability
- Continuous technology upgradation
- Strong research and development work
- Motivation and involvement of one and all
- High quality of service and products
- Innovativeness in responding to customers' needs
- Maximising exports



Locations:

Headquartered at Kolkata, the manufacturing units are located at Budge Budge and Falta in the state of West Bengal in India.

Budge-Budge Unit: Composite Jute Mill producing traditional jute products such as Hessian Cloths and Bags in different sizes and constructions, sacking bags like A-Twill, B-Twill and DWF bags, both normal and food grade quality, high quality industrial jute yarns of different counts in single or multiple plies/twists and decorative fabrics.

Falta unit: Specialty jute weaving unit manufacturing superior quality technical/decorative jute fabrics and jute shopping bags for export market.



Pride enhancing certifications:

Quality has been the hallmark for Cheviot products. The Company is accredited with ISO 9001:2015, IS/ISO 14001:2004 – Environmental Management System Certification and 18001:2007 – Occupational Health and Safety Management System Certification. The Company has been granted TRADING HOUSE status by the Ministry of Commerce and Industry, Government of India.



Awards and Recognitions:

The Company is proud recipient of Silver Export Award 2017-18 for conventional jute products and jute diversified products from the Ministry of Textiles, Government of India.



BSE Stock Code :

526817

ISIN No. :

INE974B01016

Promoters' Holding :

74.9904%

Market Capitalisation :

₹ 42,720 Lakhs

How we have grown over the years

Quality and reliability are two parallel imperatives which have kept us growing over the years. We are scaling our business to greater heights through consistent growth and stability.

Our Financial Growth in 2018-19

Revenue from
operations grew by
5%

Export Sales
grew by
7%

Interest burden
reduced by
19%

Shareholders'
Equity grew by
22%

Financial Ratios of 2018-19

Interest Coverage
Ratio
100

Current Ratio
9.11

Debt-equity Ratio
0.09

Operating Profit
Margin
13%

Net Profit Margin
13%

Return on
Net Worth
12%

TEN YEARS FINANCIAL HIGHLIGHTS									
₹ In Lakhs									
Year Ended	Share capital*	Reserves and surplus / Other equity**	Net worth**	Revenue from operations	Current Tax Expense	Net profit for the year	Earnings per ordinary share (F.V. of ₹ 10/- each) @	Book Value per ordinary share @	Dividend per ordinary share @
							in ₹	in ₹	in ₹
31-03-2010	451	24,327	24,778	17,480	506	1,641	24.25	366.18	5.33
31-03-2011	451	26,544	26,995	30,738	1,013	2,884	42.61	398.93	8.00
31-03-2012	451	28,714	29,165	29,233	845	2,887	42.66	431.01	8.67
31-03-2013	451	30,963	31,414	28,906	1,001	3,071	45.39	464.24	10.00
31-03-2014	451	32,818	33,269	27,843	1,042	2,680	39.61	491.65	10.00
31-03-2015	451	35,243	35,694	26,700	749	3,458	51.10	527.49	11.33
31-03-2016	451	41,358	41,809	34,304	1,453	3,647	53.90	617.85	11.33
31/03/2017 #	451	47,005	47,456	39,354	1,465	4,948	73.12	701.31	0.67
31/03/2018 #	431	49,608	50,039	37,612	1,948	5,408	82.43	773.78	0.67
31/03/2019 #	647	60,539	61,186	39,456	2,155	5,018	77.59	946.14	1.00

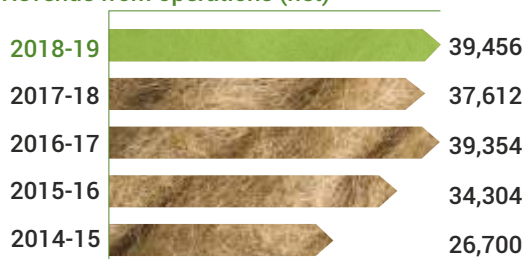
* Share capital includes amount forfeited amounting to ₹ 0.35 Lakhs.

** Reserve and surplus / Other equity and Net worth include revaluation surplus arising on revaluation of certain property, plant and equipment.

The figures for 31st March, 2019, 31st March, 2018 and 31st March, 2017 are Ind AS compliant and are not comparable with previous years.

@ After considering adjustments for issue of bonus shares during the current year.

Revenue from operations (net) ₹ In Lakhs



Net profit for the year ₹ In Lakhs



Capital Expenditure ₹ In Lakhs



Net Worth ₹ In Lakhs



Knitting through social bonding

An organisation is known by its innovative leadership qualities and social bonding. We are driven by our moral obligation to fulfil the philanthropic spirit of serving the society through various activities covered under corporate social responsibility.

During the year, the Company has undertaken various projects towards CSR which, inter-alia, includes construction of hospital building at Assam to provide healthcare facilities in the remote areas of Assam, repairing and restoring school buildings at Budge Budge, facilitating reach of education to the rural areas by supporting school run by Ramakrishna Sarada Mission, empowering women through various girl child projects and promoting nationally recognised sports.

We are privileged that the Company's above initiatives have benefited several needy and deprived persons. Our efforts to revive school buildings and toilets have been acknowledged and highly appreciated by the local authorities. Students are happy and take pride in their school.

We remain committed to take the responsibility of exhibiting socially responsible corporate citizen and ensuring the well-being of the communities at large.



Glimpse of CSR activities:

1. Ms Mahak Jain, a young Lawn Tennis Player with current WTA Ranking 518, is being supported by Cheviot for her training;
2. Hospital Building in Cachar, Silchar, Assam under construction;
3. Restored school building at Budge Budge;
4. Drinking Water Facility provided in school;
5. Providing shelter and healthcare support to abandoned and neglected mothers and their children living on streets;
6. Organising Eye Camps in a school at Budge Budge.



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4



6



Unequivocal focus on excellence and eco-friendliness

At Cheviot Company Limited, "Quality is the result of continuous improvisation, sincere efforts and skilful execution."

Offering extensive range of environmental friendly knitted jute bags at the best price sets us apart. Our diversified product range includes Fashion Jute Bags, Beach Bags, Bottle Bags, Cotton Bags, Artless Polka Collection Bags, Animal Prints Jute Bags, Promotional Jute Bags, amongst others.

The quality and finish of the jute bags manufactured by us meets with international standards. We believe that the Jute Bags, being natural bio-degradable fibre with long standing end use application should be preferred by environment conscious end users.

We have been bestowed with accreditations, awards and recognitions vindicating the value and performance of our Company.



CORPORATE INFORMATION

BOARD OF DIRECTORS

MR. HARSH VARDHAN KANORIA - *Chairman and Managing Director, Chief Executive Officer - DIN 00060259*

MRS. MALATI KANORIA - *Non-Executive Director - DIN 00253241*

MR. NAVIN NAYAR - *Independent Director - DIN 00136057*

MR. NAWAL KISHORE KEJRIWAL - *Wholetime Director - DIN 00060314*

MR. PADAM KUMAR KHAITAN - *Independent Director - DIN 00019700*

MR. PARAG KESHAR BHATTACHARJEE - *Independent Director - DIN 00081899 #*

MRS. RASHMI PRASHAD - *Independent Director - DIN 00699317 **

MR. SUSHIL KUMAR DHANDHANIA - *Independent Director - DIN 00181159*

MR. UTKARSH KANORIA - *Wholetime Director - DIN 06950837*

Retired w.e.f. 31st March, 2019

* Appointed w.e.f. 1st April, 2019

SENIOR MANAGEMENT

MR. DEBDAS MAZUMDAR

MR. DEO KISHAN MOHTA

CHIEF FINANCIAL OFFICER

MR. MADHUP KUMAR PATNI

COMPANY SECRETARY

MR. ADITYA BANERJEE

REGISTERED OFFICE

24, PARK STREET

MAGMA HOUSE, (9TH FLOOR)

KOLKATA - 700 016

PHONE : +91 82320 87911/12/13

FAX : 033-2249 7269 / 2217 2488

E-MAIL : cheviot@chevjute.com

WEBSITE : www.groupcheviot.net

CIN : L65993WB1897PLC001409

PLANTS LOCATION

BUDGE-BUDGE UNIT :

19, MEHTA ROAD, BADEKALINAGAR

BUDGE-BUDGE, 24-PARGANAS (SOUTH) - 700 137

WEST BENGAL

FALTA UNIT :

SECTOR II, FALTA SPECIAL ECONOMIC ZONE

FALTA, 24-PARGANAS (SOUTH) - 743 504

WEST BENGAL

STATUTORY AUDITORS

SINGHI & CO.

Chartered Accountants

BANKERS

AXIS BANK LIMITED

CITIBANK N.A.

STATE BANK OF INDIA

REGISTRAR AND SHARE TRANSFER AGENT

MAHESHWARI DATAMATICS PRIVATE LIMITED

23, R. N. MUKHERJEE ROAD (5TH FLOOR)

KOLKATA - 700 001

PHONE : 033-2248 2248 / 2243 5029

FAX : 033-2248 4787

E-MAIL : mdpldc@yahoo.com

NOTICE

TO THE MEMBERS

NOTICE is hereby given that the Annual General Meeting (AGM) of the Members of Cheviot Company Limited will be held at The Sitaram Seksaria Auditorium of Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata-700 017 on **Wednesday, 24th July, 2019 at 11:00 a.m.** to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2019 and the reports of the Board of directors and auditors thereon.
2. To declare dividend on ordinary shares for the financial year ended 31st March, 2019.
3. To appoint a director in place of Mr. Utkarsh Kanoria (holding DIN 06950837), who retires by rotation and, being eligible, offers himself for re-appointment.

Special Business :

4. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution :
 "RESOLVED THAT pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mrs. Rashmi Prashad (holding DIN 00699317), who was appointed as an Additional Director with effect from 1st April, 2019 by the Board of directors of the Company and who holds office as such up to the date of this annual general meeting but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company."
5. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution :
 "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV thereto, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Rashmi Prashad (holding DIN 00699317), who meets the criteria of independence, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years with effect from 1st April, 2019 to 31st March, 2024."
6. To consider and, if thought fit, to pass the following resolution as a Special Resolution :
 "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby granted to the re-appointment of Mr. Nawal Kishore Kejriwal (Mr. Kejriwal) (holding DIN 00060314), as Wholetime Director of the Company for a further period of one year with effect from 1st June, 2019, whose office shall be liable to determination by retirement of directors by rotation, on the terms and conditions as to remuneration and otherwise as set out in the letter of re-appointment (a draft of which initialed by the Chairman and Managing Director for identification was laid on the table) to be issued to Mr. Kejriwal and also given in the statement annexed to this notice.
 FURTHER RESOLVED THAT in the event of absence or inadequacy of profits during the aforesaid tenure, the Company will pay to Mr. Kejriwal remuneration by way of salary and perquisites not exceeding the ceiling laid down in Section II of Part II of Schedule V to the Act or any modification(s) or re-enactment thereof as minimum remuneration, subject to such approvals as may be required."
7. To consider and, if thought fit, to pass the following resolution as a Special Resolution :
 "RESOLVED THAT in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to create mortgage and/or charge in addition to the existing mortgage and/or charge created by the Company, on the movable and immovable properties of the Budge-Budge unit situated at 19, Mehta Road, Badekalinagar, South 24 Parganas, Kolkata 700137, both present and future, in favour of Axis Bank Limited (Axis Bank) to secure working capital facilities not exceeding ₹ 32 Crores (Rupees Thirty Two Crores only) sanctioned by Axis Bank together with interest thereon at the agreed rates, compound interest, additional interest, liquidated damages, premia on prepayment or on redemption, costs, charges, expenses and other monies payable by the Company to Axis Bank in such form and manner and with such ranking for priority and at such times as the Board of directors of the Company including Committee thereof may deem fit.

NOTICE (Contd.)

FURTHER RESOLVED THAT the Board of directors of the Company including Committee thereof be and is hereby authorised to execute security documents with Axis Bank for creating mortgage and/or charge and to do all such acts and things and to take all such steps as may be necessary to give effect to this resolution."

8. To consider and, if thought fit, to pass the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Company be and is hereby accorded to pay aggregate annual remuneration exceeding five per cent of the net profits of the Company (calculated as per Section 198 of the Companies Act, 2013) to the executive directors who are promoters or members of the promoter group, subject however, that the overall maximum managerial remuneration shall remain within the ceiling laid down under Section 197 of the Companies Act, 2013 read with Schedule V thereto, as per the terms and conditions as to remuneration and otherwise, governing their appointments till the expiry of the existing terms of such executive directors."

9. To consider and, if thought fit, to pass the following resolution as a Special Resolution :

RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any modification(s) or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the Members of the Company be and is hereby accorded to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person; and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as the Board of directors of the Company including Committee thereof may in their absolute discretion deem beneficial and in the interest of the Company, subject however, that the aggregate of the loans and investments so far made and the amount for which guarantees or securities have so far been provided to persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of ₹ 200 Crores (Rupees Two Hundred Crores only) over and above the limit prescribed under section 186(2) of the Companies Act, 2013.

FURTHER RESOLVED THAT the Board of directors of the Company including Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

10. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 181 and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to contribute in any financial year to any national, charitable, social, public or general and other funds/institutions/hospitals/trusts/entities up to an aggregate maximum sum of ₹ 50 Crores (Rupees Fifty Crores only) in each financial year, as may be considered proper by the Board of directors of the Company, notwithstanding that such amount may exceed five per cent of the average net profits of the Company for the three immediately preceding financial years as prescribed under Section 181 of the Companies Act, 2013."

11. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of ₹ 40,000/- (Rupees Forty Thousand only) plus applicable taxes and re-imbursement of out of pocket expenses payable to M/s D. Radhakrishnan & Co., Cost Accountants (Registration No. 000018), who has been appointed by the Board of directors of the Company as cost auditor to conduct an audit of the cost accounting records maintained by the Company for the financial year ending 31st March, 2020 be and is hereby ratified."

By Order of the Board,
For CHEVIOT COMPANY LIMITED

Aditya Banerjee
Company Secretary

ACS No. 34468

Kolkata, 27th May, 2019

CIN : L65993WB1897PLC001409

Registered Office :

24, Park Street, 'Magma House', (9th Floor)

Kolkata - 700 016

Ph: +91 82320 87911/12/13; Fax: (033) 2249-7269/2217-2488

Email: cheviot@chevjute.com Website: www.groupcheviot.net

NOTICE (Contd.)

NOTES :

1. **The Register of Members and the Share Transfer Register of the Company will remain closed from Thursday, 18th July, 2019 to Wednesday, 24th July, 2019 (both days inclusive).**
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxy form in order to be effective, must be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the AGM.** A person can act as proxy on behalf of members not exceeding 50 (fifty) 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 member.
3. Members/Proxies are requested to bring the attendance slip along with their copy of Annual Report with them at the AGM.
4. Corporate members intending to send their authorised representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorising their representatives to attend and vote at the AGM.
5. Members who hold shares in dematerialised form are requested to bring their Client ID and DP numbers for prompt identification while recording attendance at the AGM.
6. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
7. Dividend, as recommended by the Board of directors, if declared at the AGM, will be paid on 29th July, 2019 to those members, whose names shall appear in the Company's Register of Members at the close of working hours of the Company on Wednesday, 17th July, 2019. In respect of the shares held in dematerialised form, the dividend will be paid to the persons whose names shall appear as beneficial owners as at the end of the business hours on Wednesday, 17th July, 2019 as per details to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited.
8. Dividend which remain unpaid / unclaimed for a period of seven years from the date of declaration will have to be transferred by the Company to "Investor Education and Protection Fund" ("IEPF") established by the Central Government under Section 125 of the Companies Act, 2013. Accordingly, all unpaid / unclaimed dividend relating to the financial year ended 31st March, 2011 have been transferred to IEPF. Unpaid / unclaimed dividend for the financial year ended 31st March, 2012 will become due for transfer during September, 2019. Members are requested to encash their dividend warrants before transfer to IEPF.

Pursuant to Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, statements containing the names, last known addresses and unpaid/unclaimed dividend to be paid to each person (lying with the Company in the unpaid dividend accounts) have been uploaded on the website of the Company (www.groupcheviot.net), as also on the website of Ministry of Corporate Affairs.
9. Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("Rules"), as amended, all shares on which dividend has not been paid or claimed for seven consecutive years or more have been transferred to IEPF Authority after complying with the procedure laid down under the Rules. The shares transferred to the IEPF Authority can be claimed back by the concerned member from IEPF Authority after complying with the procedure prescribed under the Rules.
10. In compliance with SEBI notification no. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 read with amendment notification no. SEBI/LAD-NRO/GN/2018/49 dated 30th November, 2018 and BSE Circular No. LIST/COMP/15/2018-19 dated 5th July, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) are not processed from 1st April, 2019 unless the securities are held in dematerialised form with the depositories. Therefore, members are requested to consider dematerialising shares held by them in physical form.
11. a) Members are hereby informed that Securities and Exchange Board of India (SEBI) has made it mandatory for all the listed companies to make cash payments through electronic payment modes to the investors. It is further directed that in case electronic payment is rejected or returned, the Company shall mandatorily print the bank account details of the investor on payment instrument. Members are requested to provide their updated bank account particulars allotted after implementation of CBS to enable the Company to electronically credit dividend directly in their respective bank accounts.

b) Members holding the Company's shares in dematerialised form are requested to intimate all changes relating to their bank account details, change in their registered address, e-mail ID, nomination, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS) mandates etc. to their respective Depository Participant(s) (DPs), if they have not done so already. Members holding the Company's shares in physical form are requested to intimate such changes to the Company's Registrar and Share Transfer Agent, M/s Maheshwari Datamatics Private Limited.

NOTICE (Contd.)

12. Members desirous of getting any information about the financial statements and/or operations of the Company are requested to address their queries to the Company at least 10 (Ten) days in advance of the AGM i.e. by 13th July, 2019, so that proper information can be made available at the AGM.
13. Members who are yet to provide required particulars for the purpose of maintaining records in the new format of Register of Members pursuant to Section 88 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 are requested to intimate following information to the Company's Registrar and Share Transfer Agent, as may be applicable for respective members:

I. E-mail ID; II. Permanent Account Number (PAN) or Corporate Identification Number (CIN); III. Father's/ Mother's/Spouse Name; IV. Unique Identification Number (Aadhar No.); V. Occupation; VI. Status; VII. Nationality; VIII. In case member is a minor, name of guardian and date of birth of minor member; IX. Name and address of nominee (in Form SH-13).

14. Brief details of directors seeking re-appointment at the ensuing AGM in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings are provided hereunder:

- (a) Based on the terms of appointment, Mr. Utkarsh Kanoria (Mr. U. Kanoria) (holding DIN 06950837), who was appointed on 24th May, 2017, in the current term, as a Wholetime Director of the Company, is liable to retire by rotation at the ensuing AGM, and being eligible, seeks re-appointment. Upon re-appointment, Mr. U. Kanoria shall continue to hold the office of Wholetime Director, for the unexpired period of his current term as approved by the members at the AGM held on 25th August, 2017. The Board of directors recommend his re-appointment.

Information as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided as under :-

Mr. U. Kanoria, aged 26 years, has received his degree from the Carnegie Mellon University at United States and joined Cheviot Company Limited in August, 2014. He is also serving as a committee member of the Indian Jute Mills Association. Mr. U. Kanoria has developed in-depth knowledge on the operations of Jute Industry and is presently monitoring the overall factory operations. Mr. U. Kanoria does not hold directorship and/or membership of committees of the Board in any other listed company. Mr. U. Kanoria is son of Mr. H. V. Kanoria and Mrs. M. Kanoria. None of the other directors on the Board of the Company is related to Mr. U. Kanoria. Mr. U. Kanoria holds 2,53,009 ordinary shares of the Company.

- (b) The present term of appointment of Mr. Nawal Kishore Kejriwal (Mr. Kejriwal) (holding DIN 00060314), who was appointed as a Wholetime Director of the Company at the AGM held on 10th August, 2018, will expire on 31st May, 2019. The Board of directors have re-appointed him for a further period of one year with effect from 1st June, 2019.

Information as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided as under:-

Mr. Kejriwal, aged 76 years, is a commerce graduate and holds a bachelor degree in law. He has a long association with the Company and has good knowledge of Jute Goods. He has wide range of expertise in management, marketing and administration. The Company will be benefitted by his experience and knowledge. None of the directors on the Board of the Company is related to Mr. Kejriwal. Mr. Kejriwal does not hold directorship and/or membership of committees of the Board in any other listed company. Mr. Kejriwal holds 420 ordinary shares of the Company.

- (c) Mrs. Rashmi Prashad (Mrs. Prashad) (holding DIN 00699317), was appointed as an Additional Director in the category of Independent Director of the Company with effect from 1st April, 2019 by the Board of directors through a circular resolution passed on 26th March, 2019.

Information as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided as under:-

Mrs. Prashad, aged 59 years, is a graduate. She is the Managing Director of Mechpara Plantations and Industries Limited and has long experience of managing manufacturing Industries. The Company will be benefitted by her experience and knowledge. None of the directors on the Board of the Company is related to Mrs. Prashad. Mrs. Prashad holds the directorship in Mechpara Plantations and Industries Limited and Chalsa Investments Private Limited. Mrs. Prashad does not hold directorship and/or membership of committees of the Board in any other listed company. Mrs. Prashad does not hold any ordinary share of the Company.

15. Voting through electronic means

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013, the Rules framed thereunder, Secretarial Standard and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to members the facility to exercise their right to vote on resolutions set forth in this notice by electronic means from a place other than venue of the AGM ("remote e-voting"). The remote e-voting service will be provided by National Securities Depository Limited (NSDL).

NOTICE (Contd.)

- II. The facility for voting through ballot paper shall be made available at the AGM venue and the members attending the AGM who have not cast their vote through remote e-voting shall be able to exercise their right to cast vote through ballot paper.
- III. 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.
- IV. The remote e-voting period shall commence on Friday, 19th July, 2019 at 5:00 p.m. and end on Tuesday, 23rd July, 2019 at 5:00 p.m. During this period, members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date, Wednesday, 17th July, 2019, 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 cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:

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

Step 1 : Login to NSDL's e-voting system at <https://www.evoting.nsdl.com/>

How to Login to the NSDL e-voting website?

1. Visit the e-voting website of NSDL by opening your web browser and typing the following URL either on a desktop computer/laptop or on a mobile : <https://www.evoting.nsdl.com/>
2. Once the homepage of the e-voting system is launched, click on the icon, 'Login', which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can login at <https://eservices.nsdl.com/> with your existing IDeAS Login details. Once you Login to NSDL e-services using your Login credentials, click on 'e-voting' and proceed to Step 2, i.e. cast your vote electronically.
4. Your User ID details are given below :

Manner of holding Shares, i.e. Demat (NSDL or CDSL) or Physical	Your User ID is :
i) For members who hold Shares in demat account with NSDL	8 character DP ID followed by 8 digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your User ID is IN300***12*****
ii) For members who hold Shares in demat account with CDSL	16 digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your User ID is 12*****
iii) For members holding Shares in physical form.	EVEN - 110841, followed by Folio Number registered with the Company For example, if your Folio Number is 001*** then your User ID is 110841001***

5. Your password details are given below :
 - a. If you are already registered for e-voting, then you can use your existing password to Login and cast your vote.
 - b. If you are using the NSDL e-voting system for the first time, you will need to use the 'initial password' which was communicated to you. You need to enter the 'initial password' and change your password, as prompted by the system.
 - c. How to retrieve your 'initial password'.
 - i) If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you by NSDL from your mailbox. Open the e-mail and open the attachment (it will be a pdf file). Open the file. The password to open the file is your 8 digit client ID for your NSDL account or the last 8 digits of your CDSL client ID or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii) If your e-mail ID is not registered, your 'initial password' is communicated to you on your postal address.

NOTICE (Contd.)

6. If you have not received the 'initial password' or are unable to retrieve it or have forgotten your password :
 - i) Holding shares in demat accounts with NSDL or CDSL : Click on the 'Forgot User Details/Password?' option available on <https://www.evoting.nsdl.com/>
 - ii) Holding shares in physical mode : 'Physical User Reset Password?' option is also available on <https://www.evoting.nsdl.com/>
 - iii) If you are still unable to get your password following the aforesaid options, you can send a request to evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, agree to the terms and conditions by checking the box.
8. Next, click on the 'Login' button.
9. After you click on the 'Login' button, the homepage of e-voting will open.

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

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

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

General Guidelines for members

1. Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to evoting@chevjute.com with a copy marked to evoting@nsdl.co.in.
 2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
 3. In case of any query, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.
 4. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- VI. The voting rights of members shall be in proportion to their shares in the paid up ordinary share capital of the Company as on the cut-off date, Wednesday, 17th July, 2019.
- VII. Any person, who acquires share(s) of the Company and becomes member of the Company after despatch of the notice of AGM and holding share(s) as on the cut-off date, Wednesday, 17th July, 2019, may obtain the User ID and password by sending a request at evoting@nsdl.co.in.

However, if you are already registered with NSDL for remote e-voting then you can use your existing User ID and password to cast your vote.

NOTICE (Contd.)

- VIII. 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, Wednesday, 17th July, 2019 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- IX. Mr. Prithwiji Gangopadhyay, a practising advocate at Calcutta High Court, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- X. 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 for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XI. The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast at the AGM 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 forty-eight hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the results of the voting forthwith.
- XII. The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company (www.groupcheviot.net) and on the website of NSDL immediately after the declaration of results by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the BSE Limited.
16. In terms of Sections 101 and 136 of the Companies Act, 2013 read with the relevant Rules made thereunder, the copy of the Annual Report for the financial year ended 31st March, 2019 comprising of Board's Report, Independent Auditors' Report, Financial Statements, etc. along with this Notice is being sent by electronic mode, to those members who have registered their email IDs with their respective depository participant(s) or with the registrar and share transfer agent of the Company, unless any member has requested for a physical copy of the same. Members may also note that the Notice of the AGM, inter-alia, indicating the process and manner of remote e-voting and the Annual Report for the financial year ended 31st March, 2019 along with attendance slip and proxy form are also available on the Company's website (www.groupcheviot.net).
17. All documents referred to in the accompanying notice and the statement annexed thereto shall be open for inspection at the Registered Office of the Company during normal business hours prior to the date of the AGM between 10.00 a.m. and 12.00 noon and will also be available for inspection at the AGM.
18. M/s Singhi & Co., Chartered Accountants (Firm Registration No. 302049E), was appointed as statutory auditors of the Company by the members at the AGM of the Company held on 25th August, 2017 to hold office for a term of 5 (five) consecutive years from the conclusion of that AGM until the conclusion of the sixth consecutive AGM on a remuneration to be mutually agreed upon with the Board of directors subject to ratification by the members at every AGM. Consequent to the amendment in Section 139 of the Companies Act, 2013, vide which the proviso requiring ratification of such appointment by members at every AGM has been omitted, no item has been included in this Notice towards ratification of such appointment. Accordingly, M/s Singhi & Co. shall continue to hold the office as statutory auditors of the Company for the remaining term of their appointment as approved by the members at the AGM held on 25th August, 2017 without ratification of such appointment at every AGM.
19. The statement pursuant to Section 102 of the Companies Act, 2013, relating to the special business set out in the notice, is appended hereto.
20. The Route Map to the venue of the AGM is annexed for the convenience of the members.

STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4.

On the recommendation of the nomination and remuneration committee, Mrs. Rashmi Prashad (Mrs. Prashad) (holding DIN 00699317), aged 59 years, who was appointed by the Board of directors as an Additional Director w.e.f. 1st April, 2019 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (the Act) and Article 131 of the Articles of Association of the Company, holds office up to the date of the ensuing annual general meeting. In terms of Section 160 of the Act, the Company has received a notice from a member proposing the candidature of Mrs. Prashad for the office of director. Mrs. Prashad has given her consent to act as Director, if appointed.

Brief details of Mrs. Prashad and information as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been disclosed in the notes forming part of this Notice.

Except Mrs. Prashad, being an appointee, none of the directors and/or key managerial personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board of directors recommend passing of the proposed Ordinary Resolution as set out at Item No. 4 of the Notice.

NOTICE (Contd.)

Item No. 5.

On the recommendation of the nomination and remuneration committee, the Board of directors through a circular resolution passed on 26th March, 2019 had appointed Mrs. Rashmi Prashad (Mrs. Prashad) as Independent Director of the Company with effect from 1st April, 2019 for a term of 5 (five) consecutive years, subject to approval of the members at the ensuing annual general meeting of the Company.

Mrs. Prashad has submitted a declaration to the Company to the effect that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 (the Act) and Regulations 16(1)(b) and 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations") and has also given her consent to serve as Independent Director of the Company, if appointed. In the opinion of the Board, Mrs. Prashad fulfils the conditions, specified in the Act and the Rules framed thereunder and SEBI Regulations, for her appointment as Independent Director and she is independent of the management.

A copy of the draft letter of appointment setting out the terms and conditions of her appointment may be inspected by any member at the Registered Office of the Company on any working day prior to the date of the AGM between 10.00 a.m. and 12.00 noon and will also be available for inspection at the AGM.

Except Mrs. Prashad, being an appointee, none of the directors and/or key managerial personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board of directors recommend passing of the proposed Ordinary Resolution as set out at Item No. 5 of the Notice.

Item No. 6.

Mr. Nawal Kishore Kejriwal (Mr. Kejriwal) (holding DIN 00060314), aged 76 years, is a commerce graduate and holds a degree in law. He has been associated with the Company for the last several years in his capacity as Wholetime Director. Mr. Kejriwal is a member in stakeholders' relationship committee and committee of directors of the Company.

The present term of office of Mr. Kejriwal will expire on 31st May, 2019. Based on the recommendation of nomination and remuneration committee, the Board of directors consider it desirable to continue to avail the services of Mr. Kejriwal in the best interest of the Company for a further period of one year with effect from 1st June, 2019 whose period of office shall be liable to determination by retirement of directors by rotation, on the terms and conditions mentioned in the draft letter of re-appointment to be issued to Mr. Kejriwal.

The principal terms and conditions including the remuneration governing the re-appointment of Mr. Kejriwal are set out below:-

1. Salary: ₹ 4,00,000 per month.
2. Commission: Commission may be payable at the absolute discretion of the Board of such amount as may be approved by the Board for each year.
3. Perquisites: Mr. Kejriwal shall also be entitled to house rent allowance, furnishing allowance, payment of medical expenses, leave travel concession for self and family, personal accident insurance, provision of car, telephone at residence and any other perquisite as may be decided by the Chairman and Managing Director from time to time subject to an amount equal to the annual salary. Provision for use of Company car for official purpose and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculation of the said ceiling. Perquisites shall be evaluated as per Income Tax Rules, wherever applicable. The remuneration mentioned above including the value of perquisites will be subject to the overall ceiling laid down under Section 197 of the Companies Act, 2013 (the Act) read with Schedule V thereto.
4. Mr. Kejriwal will also be entitled to the following perquisites:
 - (a) The Company's contribution towards Provident Fund as per the Rules of the Company;
 - (b) Gratuity not exceeding one-half month's salary for each completed year of service;
 - (c) Leave on full pay and allowance as per the Rules of the Company but not exceeding one month's leave for every eleven months of service.
5. Mr. Kejriwal shall not be paid any sitting fee for attending the meeting of the Board or any Committee thereof.
6. During the aforesaid period, if the Company has no profits or its profits are inadequate, the remuneration payable to Mr. Kejriwal shall not exceed the limits specified in Section II of Part II of Schedule V to the Act or any modification(s) or re-enactment thereof as minimum remuneration, subject to such approvals as may be required.

NOTICE (Contd.)

7. Mr. Kejriwal will be reimbursed by the Company of all entertainment and other expenses actually incurred by him in connection with the business of the Company subject, however, to such limits as may be fixed by the Chairman and Managing Director from time to time.
8. Mr. Kejriwal and the Company shall have right to terminate the appointment by giving three months' prior notice in writing to the other. A copy of the draft letter of re-appointment referred to in the proposed Special Resolution may be inspected by any member at the Registered Office of the Company on any working day prior to the date of AGM between 10.00 a.m. and 12.00 noon and will also be available for inspection at the AGM.

Except Mr. Kejriwal, being an appointee, none of the other directors and/or key managerial personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board of directors recommend passing of the proposed Special Resolution as set out at Item No. 6 of the Notice.

Item No. 7.

Axis Bank Limited, Shakespeare Sarani Branch, Kolkata (Axis Bank), has sanctioned working capital credit facilities of ₹ 32 crores vide sanction letter bearing reference no. AB/CCG/KOL/18-19/196 dated 14.11.2018 to be secured by hypothecation of entire current assets of the Company including book debts, both present and future on first charge basis and further second charge over Fixed Assets of Budge-Budge Unit situated at 19, Mehta Road, Badekalinagar, South 24 Parganas, Kolkata 700 137, both present and future.

Copy of sanction letter bearing reference no. AB/CCG/KOL/18-19/196 dated 14.11.2018, received from Axis Bank, is open for inspection at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on any working day prior to the date of the AGM. Before creation of the mortgage and/or charge over the immovable and movable properties as aforesaid in favour of Axis Bank, it is necessary to obtain members' approval under Section 180(1)(a) of the Companies Act, 2013.

None of the directors and/or key managerial personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board of directors recommend passing of the proposed Special Resolution as set out at Item No. 7 of the Notice.

Item No. 8.

In pursuance to Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 inserted with effect from 1st April, 2019, the Company is required to obtain approval of the shareholders by way of special resolution in general meeting to pay in aggregate, annual remuneration exceeding five per cent of the net profits of the Company (calculated as per section 198 of the Companies Act, 2013), to the executive directors who are promoters or members of the promoter group, till the expiry of the existing term of such executive directors. The maximum managerial remuneration payable to such executive directors shall, however, be subject to the overall ceiling laid down under Section 197 of the Companies Act, 2013 read with Schedule V thereto, as per the terms and conditions as to remuneration and otherwise, as approved by the members.

Except Mr. Harsh Vardhan Kanoria, Mrs. Malati Kanoria and Mr. Utkarsh Kanoria, who are promoters and/or members of the promoter group, none of the other directors and/or key managerial personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Board of directors recommend passing of the proposed Special Resolution as set out at Item No. 8 of the Notice.

Item No. 9.

The provisions of Section 186 of the Companies Act, 2013 (the Act) read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended, provides that no company is permitted to, directly or indirectly, (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more. Further, sub-section 3 to Section 186 of the Act provides that where the giving of any loan or guarantee or providing any security or the acquisition as provided under Section 186(2) of the Act, exceeds the limits specified therein, prior approval of members by means of a Special Resolution is required to be obtained at a general meeting. In view of the above and considering the long term business plans of the Company, which may require the Company to make sizeable loans / investments and/or issue guarantees / securities to persons or bodies corporate, from time to time, prior approval of the members is being sought for enhancing the said limits.

None of the directors and/or key managerial personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

The Board of directors recommend passing of the proposed Special Resolution as set out at Item No. 9 of the Notice.

NOTICE (Contd.)

Item No. 10.

Section 181 of the Companies Act, 2013 enables the Company to make contribution to bona-fide charitable and other funds, subject to the approval of the members in general meeting in case such contribution exceeds five per cent of the average net profits of the Company for three immediately preceding financial years. Some activities under Corporate Social Responsibility (CSR) may also come under purview of Section 181 of the Companies Act, 2013.

Consequently, approval of the members is sought for contributing in any financial year to any national, charitable, social, public or general and other funds/institutions/hospitals/trusts/entities up to an aggregate maximum sum not exceeding ₹ 50 Crores (Rupees Fifty Crores only) in each financial year, as may be considered proper by the Board of directors of the Company, notwithstanding that such amount may exceed five per cent of the average net profits of the Company for the three immediately preceding financial years as prescribed under the Companies Act, 2013.

None of the directors and/or key managerial personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the Notice.

The Board of directors recommend passing of the proposed Ordinary Resolution as set out at Item No. 10 of the Notice.

Item No. 11.

On the recommendation of the audit committee, the Board of directors have re-appointed M/s D. Radhakrishnan & Co., Cost Accountants (Registration No. 000018), being eligible and having sought re-appointment, as cost auditor of the Company, for a remuneration of ₹ 40,000/- (Rupees Forty Thousand only) plus applicable taxes and re-imbursalment of out of pocket expenses incurred by them to conduct an audit of the cost accounting records maintained by the Company for the current financial year beginning from 1st April, 2019 and ending on 31st March 2020 as required in terms of the Companies (Cost Records and Audit) Rules, 2014, as amended.

In terms of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the aforesaid remuneration is required to be ratified by the members.

None of the directors and/or key managerial personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 11 of the Notice.

The Board of directors recommend passing of the proposed Ordinary Resolution as set out at Item No. 11 of the Notice.

By Order of the Board,
For CHEVIOT COMPANY LIMITED

Aditya Banerjee
Company Secretary
ACS No. 34468

Kolkata, 27th May, 2019
CIN : L65993WB1897PLC001409
Registered Office :
24, Park Street, 'Magma House', (9th Floor)
Kolkata - 700 016
Ph: +91 82320 87911/12/13; Fax: (033) 2249-7269/2217-2488
Email: cheviot@chevjute.com Website: www.groupcheviot.net

BOARD'S REPORT

Dear Members,

(₹ in Lakhs)

The Board of directors are pleased to present their report on the business and operations of the Company together with the audited standalone financial statements for the financial year ended 31st March, 2019.

1. FINANCIAL SUMMARY

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Revenue from operations	39,455.96	37,611.67
Operating profit after depreciation and amortisation	4,945.41	4,999.12
Add: Other income	2,211.43	2,398.49
Profit before tax	7,156.84	7,397.61
Tax expense	2,139.04	1,990.00
Profit for the year	5,017.80	5,407.61

2. DIVIDEND

The Board of directors have recommended a dividend of ₹ 1/- per ordinary share of the face value of ₹ 10/- each (i.e.10%) for the year ended 31st March, 2019, aggregating to ₹ 64.67. Proposed dividend will be recognised as liability after approval of the members at the ensuing annual general meeting.

3. TRANSFER TO GENERAL RESERVE

The Board of directors propose to transfer an amount of ₹ 3,800 to General Reserve out of the profit for the year.

4. OPERATIONS AND STATE OF COMPANY'S AFFAIRS

Revenue from operations, profitability and earnings per share show under noted position during the year under review as compared to previous year :

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Revenue from operations	39,455.96	37,611.67
Export sales (C.I.F. value)	13,991.62	13,029.12
Operating profit	4,945.41	4,999.12
Other income	2,211.43	2,398.49
Profit before tax	7,156.84	7,397.61
Profit after tax	5,017.80	5,407.61
Earnings per share (EPS) of face value of ₹ 10/- (In ₹) ^	77.59	82.43

^Pursuant to issue of bonus shares, the earnings per share of previous year has been accordingly restated.

The overall performance of the Company during the year under review was similar to last year. The year witnessed good demand of Jute Goods both in domestic and overseas markets. CIF value of Export Sales was higher by ₹ 962.50, being ₹ 13,991.62 as against ₹ 13,029.12 in the previous year. By and large, operations yielded better returns and the Company was able to maintain the operating profit at ₹ 4,945.41 even after absorbing additional expenses.

Other income from Company's investments in capital markets was affected due to unprecedented situation arising on account of crisis in debt market. Moreover, an amount of ₹ 204 was charged in the accounts in respect of impairment of investment in preference shares of Infrastructure Leasing and Financial Services Limited, as a conservative policy.

During the year under review, the Company's export oriented unit at Falta Special Economic Zone has achieved satisfactory growth in Sales through better utilisation of the installed capacity. The Company is taking effective steps to further increase the capacity utilisation and to broad base the overseas market.

BOARD'S REPORT *(Contd.)*

(₹ in Lakhs)

5. MANAGEMENT DISCUSSION AND ANALYSIS

a) Industry structure and developments

During the year under review, Government of India increased the reservation norms from 90% to 100% for packing food grains and retained the norms at 20% in respect of packing of Sugar under the Jute Packaging Materials (Compulsory use in packing commodities) Act, 1987 (JPMA). This decision is in the larger interest of the workforce engaged in the Jute Industry and will give a fillip towards the development of the Jute Industry.

Due to a short crop in 2018-19 season, the availability of raw jute during the year under review was under pressure, leading to higher average cost of raw jute as compared to previous year.

Reward in the form of duty free scrips of 7% of realised FOB value in free foreign currency under Merchandise Exports from India Scheme (MEIS) is providing much needed assistance in promoting exports of Jute Goods from India.

In order to boost and sustain demand for Jute Goods, diversification of Jute Sector, improving the quality and productivity of raw jute, continuous research and development are sine qua non.

b) Opportunities and threats

Opportunities >

- Plastic bags are being banned around the Globe. Jute Goods, being natural bio-degradable fibre with long standing end use application should be preferred by environment conscious end users;
- Different incentive schemes of Government of India to promote jute goods and varied use of jute goods like in floor coverings, jute geo-textiles, shopping bags will boost the demand of jute goods.

Threats >

- Inability to achieve optimum utilisation of machines due to shortage of workers;
- Increase in wage cost due to its upward revision;
- Inadequate incentive to farmers to grow jute crop as against alternate agricultural activities affecting size of the jute crop.

c) Segment-wise or product-wise performance

The Company is engaged in a single business segment i.e. manufacturing and sale of Jute Goods. Hence, disclosure requirement in respect of business segment is not applicable. However, the geographical segments considered for disclosure are as under:-

Particulars	For the year ended 31st March 2019			For the year ended 31st March 2018		
	India	Overseas	Total	India	Overseas	Total
Revenue	24,320.38	13,991.62	38,312.00	23,618.01	13,029.12	36,647.13
Non-current assets other than financial instruments *	23,482.35	-	23,482.35	15,032.39	-	15,032.39

* Non-current assets other than financial instruments include property, plant and equipment, capital work-in-progress, investment property, other intangible assets, non-current tax assets (net) and other non-current assets.

d) Outlook

Jute crop for the season 2019-20 is expected to be better in the light of favourable weather conditions and initial encouraging reports of higher sowing. Accordingly, availability of raw jute is expected to be higher. Consequently, the prices of raw jute are expected to remain stable or may come down from present level.

There has been regular flow of Government orders keeping good domestic demand. On export front, we are exploring to increase our customer base in Hessian and consumer products. Considering overall market scenario, demand of jute goods will remain buoyant.

Looking to the overall market conditions, the outlook for the current year appears to be promising.

BOARD'S REPORT (Contd.)

(₹ in Lakhs)

e) Risks and concerns

Following are the major areas of risk and concern for the Jute Industry :

- High prices of Jute Goods vis a vis alternate packaging materials - To overcome this risk, efforts are made to bring down the cost of production by enhancing the operational efficiency, wherever possible.
- Lack of modernisation - To overcome this issue, it is essential for the Jute Industry to procure new machinery with latest technology and to make effective research and development so as to manufacture cost competitive products for steady growth.
- Revenue concentration - The Jute Industry is predominantly dependent on the Government sector which purchases jute bags for packaging food grains. Efforts are being made to increase the customer base by targeting a larger geographical market.
- Raw jute crop is highly volatile and seasonal - Being an agricultural product, its crop size largely depends on weather conditions. To mitigate shortage, the Company procures raw jute in planned manner and inventory is gradually built up.
- Shortage of workers - In order to overcome shortage of workers, continuous efforts are made to mobilise them by providing incentives to prevent loss of production.

f) Internal control systems and their adequacy

The Company has in place adequate systems of internal controls and documented procedures covering all financial and operating functions. These have been designed to provide reasonable assurance with regard to maintaining proper accounting control, monitoring economy and efficiency of the Company, protecting assets from unauthorised use or losses and ensuring reliability of financial and operational information. The internal controls are designed for timely preparation of reliable financial statements with accuracy and completeness and for safeguarding the assets in an orderly and efficient manner.

The audit committee periodically reviews the Company's policies and procedures to ensure that internal controls are operating effectively. During the year under review, the Statutory Auditors and Internal Auditors of the Company had reviewed the laid down policies and procedures for prevention and detection of frauds and errors in the conduct of business. No fraud was detected by the auditors.

g) Discussion on financial performance with respect to operational performance

The following are the significant areas of financial performance during the year under review:

- Revenue from operations was at ₹ 39,455.96 during the year as compared to ₹ 37,611.67 during previous year;
- CIF value of Export Sales was higher by ₹ 962.50, being ₹ 13,991.62 as against ₹ 13,029.12 in the previous year;
- Finance cost was ₹ 72.21 during the year under review as against ₹ 89.04 in previous year;
- Inventories were valued at ₹ 8,033.29 as at 31st March, 2019 as against ₹ 6,141.71 as at 31st March, 2018;
- The Company has invested ₹ 1,433.66 in fixed assets inclusive of capital advances during the year.

h) Material developments in human resource / industrial relations front, including number of people employed

Industrial relations remained cordial during the year under review. Fresh tripartite agreement was executed on 13th March, 2019. Broadly, the terms of settlement inter-alia provided as under-

- Entry level wages was increased from ₹ 257/- per day to ₹ 370/- per day;
- All existing workers drawing wages less than ₹ 370/- per day, got an increase in wages bringing the same to ₹ 370/- per day;
- Attendance allowance to the extent of ₹ 15/- per day was introduced for workers based on guidelines.

The Company continues to impart in-house training to new entrants to bring about all round improvement in their working knowledge and skill. The Company also continues its various staff welfare schemes. As on 31st March, 2019, there were 3,979 employees on the roll of the Company.

BOARD'S REPORT *(Contd.)*

(₹ in Lakhs)

- i) **Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor.**

	For the year ended 31st March 2019	For the year ended 31st March, 2018	% Change
Current Ratio	9.11	5.48	66.24%

The current ratio has increased largely due to higher value of inventories and current investments as also due to reduction in current borrowings of the Company as at 31st March, 2019 as compared to previous financial year.

Except current ratio, there has been no significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in any other key financial ratios, viz. debtors turnover, inventory turnover, interest coverage ratio, debt-equity ratio, operating profit margin and net profit margin, during the year under review.

- j) **Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.**

	For the year ended 31st March 2019	For the year ended 31st March, 2018
Return on Net Worth	12.00%	14.25%

Return on Net Worth is calculated by dividing profit for the year by average net worth during the year. The Return on Net Worth has declined due to lower profit after tax as stated in this report.

- k) **Cautionary statement**

Statements made in this section of the report on future expectation, performance and outlook are based on the current perception of the Board. Actual results may differ from those expressed in the statements.

6. SHARE CAPITAL

The Company has one class of Shares – Ordinary shares of face value of ₹ 10/- each.

During the year, the Company allotted 21,55,625 fully paid-up bonus ordinary shares of face value of ₹ 10/- each on 31st August, 2018 in the ratio of 1 (one) ordinary share for every 2 (two) ordinary shares held by the members. Accordingly, the issued, subscribed and fully paid-up ordinary share capital of the Company as at 31st March, 2019 stood at ₹ 646.69 consisting of 64,66,875 fully paid up ordinary shares of ₹ 10/- each.

The shares of Cheviot Company Limited are listed on BSE Limited. The Company has paid the Annual Listing Fees for the year 2019 – 2020 to BSE Limited.

7. CORPORATE GOVERNANCE

In terms of Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on corporate governance together with a certificate from M/s SJAB & Associates, a firm of practising company secretaries, confirming compliance thereof is given in **Annexure-I** forming part of this report.

8. EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in the prescribed format (Form MGT-9) is annexed hereto as **Annexure-II** forming part of this report. The annual return would be available on the website of the Company (<http://www.groupcheviot.net/investors-jute/corporate-governance-jute/>).

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of investments made by the Company have been disclosed in Note 8 and Note 14 to the financial statements for the financial year ended 31st March, 2019. The Company has not given any loan during the year.

BOARD'S REPORT *(Contd.)*

(₹ in Lakhs)

10. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Board has developed a risk management policy for the Company identifying therein the elements of risk and concern that may threaten the existence of the Company. Risk evaluation and management is an ongoing process within the organisation and is periodically reviewed by the Board of directors. The senior management adopts a systematic approach to mitigate or reduce the impact of risk elements. Discussion on risks and concerns have been made in this report under the head 'management discussion and analysis'.

11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Board of directors have formulated a Policy on dealing with related party transactions which has been disclosed on the website of the Company. All transactions entered into with related parties as defined under the Companies Act, 2013 read with Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the year, were in the ordinary course of business and at arm's-length price. There was no materially significant related party transaction made by the Company with its promoters, directors or key managerial personnel which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. Therefore, disclosure in Form AOC-2 is not required.

All related party transactions were placed before the audit committee for approval on a quarterly basis and prior omnibus approval of the Audit Committee was obtained for the transactions which were of a repetitive nature.

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

The information on conservation of energy, technology absorption, foreign exchange earnings and outgo, as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are provided in **Annexure-III** forming part of this report.

13. CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year, your Company has spent ₹ 110 towards CSR activities. The annual report on CSR activities as required under Section 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Rule 9 of the Companies (Accounts) Rules, 2014 is given in **Annexure-IV**, forming part of this report. Corporate Social Responsibility Policy of the Company is available on Company's website (<http://www.groupcheviot.net/investors-jute/corporate-governance-jute/>).

14. ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has formulated a vigil mechanism / whistle blower policy in terms of Section 177 of the Companies Act, 2013 and as per Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the employees and directors to report their grievances / concerns about instances of unethical behaviour, actual or suspected fraud or violation of Company's code of conduct to the vigilance officer or the chairman of the audit committee. During the year under review, no complaint was reported. The whistle blower policy is available on the Company's website (<http://www.groupcheviot.net/investors-jute/corporate-governance-jute/>).

15. ANNUAL PERFORMANCE EVALUATION

In terms of the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Guidance Note issued by SEBI, annual performance evaluation was conducted by the Board of its own performance, its committees and independent directors. The nomination and remuneration committee carried out annual performance evaluation of individual directors. The outcome of the annual performance evaluation showed an overall effectiveness in the performance of the Board, its committees and individual directors.

The performance evaluation of the Board was based on criteria such as appropriateness of Board composition and structure, decisions passed by the Board, awareness on Industry operations, compliance with applicable laws, succession planning, strategic planning, implementation of guidelines or strategies decided by the Board, etc.

The performance evaluation of the committees was based on composition, functioning, competencies of the members, frequency of meetings, procedures, monitoring role, advisory role, timely reporting to Board, etc.

BOARD'S REPORT *(Contd.)*

The performance evaluation of directors was based on criteria such as preparedness for board meetings, attendance, judgements, contribution to risk management, adherence to Company's code of conduct and corporate governance, pro-activeness in highlighting areas of concern, sharing of knowledge and business information, disclosure of interest and lists of relatives in timely manner etc.

16. DIRECTORS

Mr. Utkarsh Kanoria (holding DIN 06950837) retires from the Board by rotation at the forthcoming AGM, and being eligible, offers himself for re-appointment.

Mrs. Rashmi Prashad (Mrs. Prashad) (holding DIN 00699317) was appointed as an Additional Director in the category of Independent Director w.e.f. 1st April, 2019 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (the Act) and Article 131 of the Articles of Association of the Company and holds office up to the date of the ensuing annual general meeting. In terms of Section 160 of the Act, the Company has received a notice from a member proposing the candidature of Mrs. Prashad for the office of director.

Mr. Nawal Kishore Kejriwal (holding DIN 00060314) has been re-appointed as Wholetime Director of the Company by the Board for a period of one year with effect from 1st June, 2019, subject to approval of the members at the forthcoming annual general meeting, whose period of office shall be liable to determination by retirement of directors by rotation.

The information about the directors seeking appointment/re-appointment as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 on General Meetings have been given in the Notice convening the ensuing annual general meeting.

All the independent directors have declared that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

17. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company's Anti-Sexual Harassment Policy is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees are covered under this Policy which is gender neutral and is being monitored by a committee constituted by the Company for the said purpose. During the year under review, no complaint of sexual harassment has been received by the Company.

18. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS

In compliance with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the nomination and remuneration committee (NRC) follow the laid down criteria for identification of persons who are eligible to hold the office of director, key managerial personnel and senior management personnel of the Company including determining qualifications, positive attributes and independence of the person and their remuneration and other matters provided under Section 178 of the Companies Act, 2013. The NRC has affirmed that the remuneration paid to directors, key managerial personnel and senior management personnel are as per the remuneration policy of the Company.

The remuneration policy including criteria for determining qualifications, positive attributes and independence of a director is available at the web link: (<http://www.groupcheviot.net/investors-jute/corporate-governance-jute/>).

19. AWARDS AND RECOGNITION

During the year under review, the Company has received two prestigious awards, Silver Export Award 2017-18 for conventional jute products and Silver Export Award 2017-18 for jute diversified products from the Ministry of Textiles, Government of India.

BOARD'S REPORT *(Contd.)*

20. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, it is hereby stated to the best of our knowledge and belief that:-

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. NUMBER OF MEETINGS OF THE BOARD

The Board of directors met 5 (five) times during the year under review. More details are available in the report on corporate governance.

22. COMPOSITION OF AUDIT COMMITTEE

The audit committee having three Independent Directors was re-constituted with effect from 1st April, 2019 by appointing Mr. Utkarsh Kanoria, Wholtime Director as a member in place of Mr. Parag Keshar Bhattacharjee, who retired from the Board of directors on completion of his term of office on 31st March, 2019. More details on the audit committee are given in the report on corporate governance.

23. KEY MANAGERIAL PERSONNEL

During the year under review, all the key managerial personnel continue to hold their offices.

24. PARTICULARS OF EMPLOYEES

Information required pursuant to Section 197(12) of the Companies Act, 2013 (the Act) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been provided in **Annexure-V** forming part of this report.

The details of employees prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of the Annual Report. However with regard to the provisions of the second proviso to Section 136(1) of the Act, the Annual Report excluding the said information is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the company secretary and the same will be furnished on request.

25. PUBLIC DEPOSITS

The Company has not accepted deposits from Public under Section 73 of the Companies Act, 2013 read with Rules framed thereunder.

26. CREDIT RATING

Crisil has assigned long-term rating of A+/stable and short-term rating of A1+ to the Company for the working capital and term loan facilities availed by the Company. There has been no revision in the credit rating during the year under review.

BOARD'S REPORT *(Contd.)*

(₹ in Lakhs)

27. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the IEPF Rules) all unpaid or unclaimed dividend are required to be transferred by the Company to the IEPF authority, after the completion of seven years. Further, according to the IEPF Rules, the shares on which dividend has not been paid or claimed by the shareholders' for seven consecutive years or more shall be transferred to the demat account of the IEPF authority.

Accordingly, the Company has transferred the unclaimed and unpaid dividend of ₹ 9.70 for the Financial Year 2010-11 to the IEPF Authority. Further, 7,451 corresponding shares were transferred to the IEPF Authority as per the IEPF Rules. The details are available at the web link: (<http://www.groupcheviot.net/investors-jute/unclaimed-dividends-jute/>)

28. DISCLOSURE

Following disclosures are made under the Companies (Accounts) Rules, 2014:-

- (i) The financial summary or highlights are discussed at the beginning of this report;
- (ii) There is no change in the nature of business;
- (iii) There is no company which has become or ceased to be the Company's subsidiary, joint venture or associate company during the year;
- (iv) No significant and/or material order was passed by the regulators or courts or tribunals which impact the going concern status and its future operations.
- (v) There have been no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this report.

29. STATUTORY AUDITORS

M/s Singhi & Co., Chartered Accountants (ICAI Registration No. 302049E), was appointed as statutory auditors of the Company by the members at the AGM of the Company held on 25th August, 2017 to hold office for a term of 5 (five) consecutive years from the conclusion of that AGM until the conclusion of the sixth consecutive AGM on a remuneration to be mutually agreed upon with the Board of directors.

There are no qualifications, reservations or adverse remarks made by Singhi & Co., Statutory Auditors, in their report for the financial year ended 31st March, 2019. Pursuant to the provisions of section 143(12) of the Companies Act, 2013, the Statutory Auditors have not reported any incidence of fraud to the audit committee during the year under review.

30. COST AUDITORS

The cost accounting records maintained by the Company for the current financial year ending on 31st March, 2020 are required to be audited pursuant to Section 148 of the Companies Act, 2013 read with Rules framed thereunder. In this regard, the Board of directors, on the recommendation of audit committee, had re-appointed M/s D. Radhakrishnan & Co., Cost Accountants (Registration No. 000018), to carry out the cost audit at a remuneration of ₹40,000/- (Rupees Forty Thousand only) plus applicable taxes and re-imbursement of out of pocket expenses incurred by them. The resolution included at agenda Item No. 11 of the Notice convening the ensuing annual general meeting seeks members' ratification to the remuneration payable to the cost auditor.

31. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s MR & Associates, a firm of practising company secretaries (CoP 2551) to conduct Secretarial Audit of the Company.

In terms of SEBI Circular dated 8th February, 2019, the Secretarial Audit Report for the financial year ended 31st March, 2019 in Form MR-3 is enclosed as **Annexure VI** to this report as required under Section 204 of the Companies Act, 2013 read with Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in his report.

BOARD'S REPORT *(Contd.)*

Further, the Company has received the Annual Secretarial Compliance Report from M/s MR & Associates, a firm of practising company secretaries on compliance of all applicable SEBI Regulations and circulars/guidelines issued thereunder.

32. ACKNOWLEDGEMENTS

Your Directors take this opportunity to express their sincere appreciation for the co-operation received from financial institutions, banks, government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their appreciation for the committed services rendered by all the employees across the organisation.

Place : Kolkata
Date : 27th May, 2019

For and on behalf of the Board
CHEVIOT COMPANY LIMITED

Harsh Vardhan Kanoria
Chairman and Managing Director,
Chief Executive Officer
DIN : 00060259

ANNEXURE I TO THE BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Part C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Listing Regulations"]

1. Company's philosophy on Code of Governance

The Company continues to believe that adhering to the best corporate governance practices is essential for sustained growth and value enhancement. In this endeavour, the Company's philosophy on Corporate Governance emphasizes on complete transparency and accountability in all transactions by fair and ethical means in order to protect the interest of all its shareholders, customers, creditors and employees.

2. Board of Directors

a) Composition and category of directors

The composition of the Board of directors is in conformity with Section 149 of the Companies Act, 2013 and Listing Regulations. Upon retirement of Mr. Parag Keshar Bhattacharjee (DIN 00081899) on completion of his term of office on 31st March, 2019, the Board of directors, on the recommendation of nomination and remuneration committee, have appointed Mrs. Rashmi Prashad (DIN 00699317) as an Additional Director in the category of Independent Director w.e.f. 1st April, 2019. Accordingly, the Board of directors of the Company consist of 8 (eight) directors, of whom 3 (three) directors belong to the promoter group and 5 (five) directors belong to the non-promoter group. Present Board is composed of three executive directors, one non-executive director (woman) and four independent directors (including one woman independent director).

b) Details of attendance of each director at the Board Meetings and the last Annual General Meeting (AGM), along with number of other directorship(s) and other Board Committee Chairmanship(s)/Membership(s) held as on 31st March 2019.

Name of the Directors	Position [Refer abbreviations below]	Attendance Particulars		No. of other directorships and other Board committee membership(s)/chairmanship(s) held		
		At Board Meeting(s)	At Last AGM held on 10th August, 2018	Other Directorship(s) ^	Committee Membership(s) *	Committee Chairmanship(s) *
Mr. Harsh Vardhan Kanoria	CMD, CEO [P]	5	Yes	5	Nil	Nil
Mrs. Malati Kanoria	NED [P] [W]	4	Yes	4	Nil	Nil
Mr. Navin Nayar	ID NED	5	Yes	10	3	1
Mr. Nawal Kishore Kejriwal	WTD	5	Yes	1	Nil	Nil
Mr. Padam Kumar Khaitan	ID NED	5	Yes	9	3	2
Mr. Parag Keshar Bhattacharjee #	ID NED	3	Yes	3	Nil	Nil
Mrs. Rashmi Prashad @	ID NED [W]	NA	NA	2	Nil	Nil
Mr. Sushil Kumar Dhandhanania	ID NED	5	Yes	17	Nil	Nil
Mr. Utkarsh Kanoria	WTD [P]	5	Yes	2	Nil	Nil

Retired from the Board of directors on completion of his term of office on 31st March, 2019.

@ Appointed w.e.f. 1st April, 2019.

^ Includes directorship in private limited companies and foreign companies. None of the directors is holding directorship in more than eight listed companies.

* None of the directors of the Company was a member of more than ten Board-level committees, or a chairman of more than five such committees, across all public companies in which he/she was a director. For reckoning the limit of other committee membership/chairmanship, the Company has considered only the audit committee and the stakeholders' relationship committee.

Abbreviations:

CMD	Chairman and Managing Director	CEO	Chief Executive Officer	NED	Non-Executive Director
WTD	Whole time Director	ID	Independent Director	[P]	Promoter Category
[W]	Woman Director				

ANNEXURE I TO THE BOARD'S REPORT (Contd.)

c) Names of other listed entities where the person is a director and the category of directorship

Name of the Directors	Names of other listed entities where the person is a director	Category of Directorship [Refer abbreviations below]
Mr. Harsh Vardhan Kanoria	1. Jay Shree Tea and Industries Limited	ID NED
Mrs. Malati Kanoria	Nil	-
Mr. Navin Nayar	1. Amar Vanijya Limited 2. Bengal Tea and Fabrics Limited 3. Kanco Tea and Industries Limited	ID NED ID NED ID NED
Mr. Nawal Kishore Kejriwal	Nil	-
Mr. Padam Kumar Khaitan	1. Asian Hotels (East) Limited 2. Kilburn Engineering Limited 3. Magadh Sugar and Energy Limited 4. Ramkrishna Forgings Limited	ID NED ID NED ID NED ID NED
Mr. Parag Keshar Bhattacharjee #	Nil	-
Mrs. Rashmi Prashad @	1. Mechpara Plantations and Industries Limited	MD
Mr. Sushil Kumar Dhandhan	Nil	-
Mr. Utkarsh Kanoria	Nil	-

Retired from the Board of directors on completion of his term of office on 31st March, 2019.

@ Appointed w.e.f. 1st April, 2019.

Abbreviations:

ID	Independent Director	NED	Non-Executive Director	MD	Managing Director
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d) Number of Board meetings held and dates on which held

5 (five) meetings of the Board of directors were held during the year on 23rd May, 2018, 10th July, 2018, 10th August, 2018, 14th November, 2018 and 13th February, 2019. The maximum gap between two meetings was less than one hundred and twenty days.

e) Disclosure of relationships between directors inter-se

No director is, inter se, related to any other director on the Board, except Mr. Utkarsh Kanoria and Mrs. Malati Kanoria, who are related to Mr. Harsh Vardhan Kanoria, Chairman and Managing Director of the Company.

f) Number of shares and convertible instruments held by non-executive directors

Mrs. Malati Kanoria, non-executive director, holds 3,98,776 ordinary shares of the Company. None of the independent directors hold any ordinary share of the Company.

g) Web link where details of familiarisation programmes imparted to independent directors is disclosed

The Company has a familiarisation programme for independent directors and the same is available on the website of the Company (<http://www.groupcheviot.net/investors-jute/corporate-governance-jute/>). The present independent directors are well conversant with the operations of the Jute Industry, the Company's business model and their responsibilities as independent directors. However, the familiarisation programme will be imparted as and when considered necessary by the Board.

ANNEXURE I TO THE BOARD'S REPORT (Contd.)

h) A chart or a matrix setting out the skills/expertise/competence of the Board of directors

The list of core skills/expertise/competence identified by the Board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board are as under:-

Sl. No.	Areas of core skills/expertise/competence	Available with the Board
1	Manufacturing of Jute Goods	Yes
2	Marketing	Yes
3	Accountancy	Yes
4	Finance	Yes
5	Law	Yes
6	Risk Management	Yes

The Board of directors have the necessary skills/expertise/competencies in all the above mentioned areas.

i) Other provisions

It is hereby confirmed that in the opinion of the Board of directors, the independent directors fulfill the conditions specified in the Listing Regulations and are independent of the management. None of the independent directors has resigned before the expiry of their tenure of appointment. The Company has developed proper systems to enable the Board to periodically review compliance reports prepared by the Company in respect of laws applicable to the Company. Corrective steps are taken by the Company to rectify any instance of non-compliance. The Board has devised plans for orderly succession for appointments to the Board and to senior management level.

3. Audit committee

a) Brief description of terms of reference

The terms of reference of the audit committee are in accordance with the provisions of Section 177 of the Companies Act, 2013 and also include the roles as specified in Part C of Schedule II to the Listing Regulations. The terms of reference inter alia include:

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Review and monitor the auditor's independence, performance and effectiveness of audit process;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company to the Board of directors;
- Examining and reviewing, quarterly and annual financial statements and the independent auditor's report thereon before submission to the Board of directors;
- Evaluation of internal financial controls and risk management systems;
- Discussion with internal auditors on any significant findings and follow up thereon;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- Review the performance of statutory and internal auditors, adequacy of the internal control systems;
- Review the functioning of whistle blower mechanism;
- Scrutiny of inter-corporate loans and investments;
- Approval of related party transactions or any subsequent modification of transactions of the Company with related parties.

ANNEXURE I TO THE BOARD'S REPORT (Contd.)

b) Composition, name of members and chairperson

The details of composition of the audit committee with name of members and chairperson are as follows :

Name of the directors	Designation	Category
Mr. Navin Nayar	Chairman	Independent Director
Mr. Sushil Kumar Dhandhanian	Member	Independent Director
Mr. Parag Keshar Bhattacharjee ¹	Member	Independent Director
Mr. Utkarsh Kanoria ¹	Member	Wholetime Director

All the members of the audit committee have rich experience and knowledge in financial and accounting areas.

c) Meetings and attendance during the year

During the year, 4 (four) meetings of the audit committee were held on 23rd May, 2018, 9th August, 2018, 14th November, 2018 and 13th February, 2019.

Name of the directors	Number of meetings attended
Mr. Navin Nayar	4
Mr. Sushil Kumar Dhandhanian	4
Mr. Parag Keshar Bhattacharjee ¹	2
Mr. Utkarsh Kanoria ¹	NA

President (corporate affairs), chief financial officer, representatives of statutory auditor, internal auditor and cost auditor were invitees to the meetings of the audit committee. The chairman of the audit committee was present at the last AGM of the Company held on 10th August, 2018. Minutes of audit committee are placed before the Board for noting. The company secretary acts as the secretary to the audit committee. The maximum gap between any two meetings was less than one hundred and twenty days.

¹ The audit committee was re-constituted with effect from 1st April, 2019 with Mr. Utkarsh Kanoria appointed as a member in place of Mr. Parag Keshar Bhattacharjee, who has retired from the Board of directors on completion of his term of office on 31st March, 2019.

4. Nomination and remuneration committee

a) Brief description of terms of reference

The terms of reference of the nomination and remuneration committee are in accordance with the provisions of Section 178 of the Companies Act, 2013 and also include the roles as specified in Part D (A) of Schedule II to the Listing Regulations. The terms of reference inter alia include:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the Board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of directors their appointment and removal;
- Specify the manner for effective evaluation of performance of Board of directors, its committees and individual directors to be carried out either by the Board of directors or by the nomination and remuneration committee and review its implementation and compliances;
- Devise a policy on diversity of Board of directors;
- Recommend to the Board of directors, all remuneration, in whatever form, payable to senior management.

ANNEXURE I TO THE BOARD'S REPORT (Contd.)

(₹ in Lakhs)

b) Composition, name of members and chairperson

The details of composition of nomination and remuneration committee with name of members and chairperson are as follows:

Name of the directors	Designation	Category
Mr. Sushil Kumar Dhandhanian	Chairman	Independent Director
Mr. Navin Nayar	Member	Independent Director
Mr. Parag Keshar Bhattacharjee ²	Member	Independent Director
Mrs. Rashmi Prashad ²	Member	Independent Director

c) Meetings and attendance during the year

During the year, 2 (two) meetings of the nomination and remuneration committee were held on 23rd May, 2018 and 18th March, 2019.

Name of the directors	Number of meetings attended
Mr. Sushil Kumar Dhandhanian	2
Mr. Navin Nayar	2
Mr. Parag Keshar Bhattacharjee ²	2
Mrs. Rashmi Prashad ²	NA

The Chairman of the nomination and remuneration committee was present at the last AGM of the Company held on 10th August, 2018.

² The nomination and remuneration committee was re-constituted with effect from 1st April, 2019 with Mrs. Rashmi Prashad appointed as a member in place of Mr. Parag Keshar Bhattacharjee, who has retired from the Board of directors on completion of his term of office on 31st March, 2019.

d) Performance evaluation criteria for independent directors

The nomination and remuneration committee has laid down the evaluation criteria for determining the performance of the independent directors on the Board broadly covering preparedness for board meetings; attendance; application of independent judgement while taking decisions; adherence to Company's code of conduct and corporate governance; effective participation in committee meetings; adequate deliberation on areas of concern; sharing of knowledge and business information; independence in judgement and avoiding conflict of interest.

5. Remuneration of directors

(a) Details of remuneration of directors

Details of remuneration of executive directors for the year ended 31st March, 2019:

Name of the directors	Salary	Commission	Contribution to provident fund	Estimated value of other perquisites	Tenure of appointment
Mr. Harsh Vardhan Kanoria	₹ 24.00	₹ 279.00	₹ 2.40	₹ 36.85	5 years from 1st August, 2015
Mr. Nawal Kishore Kejriwal	₹ 24.00	₹ 30.00	₹ 2.40	₹ 12.29	1 year from 1st June, 2018
Mr. Utkarsh Kanoria	₹ 21.00	₹ 241.00	-	₹ 12.22	5 years from 24th May, 2017

The appointment of the executive directors is governed by the articles of association of the Company. The principal terms and conditions including the remuneration governing the appointment/re-appointment of the executive directors were recommended by the nomination and remuneration committee and approved by the Board of directors and the Members of the Company.

ANNEXURE I TO THE BOARD'S REPORT (Contd.)

(₹ in Lakhs)

As per terms of appointment, the Company and the executive directors have the right to terminate the appointment by giving three months' prior notice in writing to the other. There is no provision for payment of severance fees under the resolutions governing the appointment of executive directors.

Details of remuneration of non-executive directors including independent directors for the year ended 31st March, 2019:

Non-Executive / Independent Directors	Sitting Fees	Commission
Mrs. Malati Kanoria	₹ 0.20	₹ 5.00
Mr. Navin Nayar	₹ 0.25	₹ 5.00
Mr. Padam Kumar Khaitan *	₹ 0.25	₹ 5.00
Mr. Parag Keshar Bhattacharjee	₹ 0.15	₹ 5.00
Mrs. Rashmi Prashad #	NA	NA
Mr. Sushil Kumar Dhandhanian	₹ 0.25	₹ 5.00

* Paid to the firm in which director is a partner.

Appointed w.e.f. 1st April, 2019

The Company has not issued any stock options to its directors.

The Company avails legal consultancy and professional services from M/s Khaitan & Co. LLP, a solicitor firm, in which Mr. Padam Kumar Khaitan, independent director of the Company is a partner. However, the transaction does not exceed ten per cent or more of the gross turnover of such firm and is not material to affect the independence of judgement of Mr. Padam Kumar Khaitan as an independent director of the Company.

The Company has not entered into any other pecuniary relationship or transaction with the non-executive directors.

b) Criteria of making payment to non-executive directors

The role of the non-executive directors requires devotion of sufficient time to exercise independent judgement in the best interest of Company with ability to contribute and to monitor corporate governance practice and adherence to the Company's code of conduct. Appointments and terms of remuneration of non-executive directors are considered by the Board of directors of the Company based on the recommendation of the nomination and remuneration committee within the limits specified in the special resolution passed by the members. Remuneration to the non-executive directors is kept at levels such that they retain and motivate directors to run the Company successfully.

Non-executive directors including independent directors shall be entitled to receive remuneration by way of sitting fee for attending meetings of the Board or Committee thereof or any other meeting as may be decided by the Board within the limits prescribed under Section 197 of the Companies Act, 2013 and Rules made thereunder for payment of sitting fees. Subject to approval of the members of the Company, non-executive directors including independent directors shall also be paid commission up to an aggregate amount not exceeding 1(one)% of the net profit of the Company for the year. The amount of commission shall be determined by the Board based on their attendance, time and effort devoted and any other contribution made by them. In addition, to the sitting fees and commission, the non-executive directors including independent directors shall be entitled to be paid their reasonable travelling, hotel and other expenses incurred for attending the Board and Committee meetings and otherwise incurred in the execution of their duties as directors.

6. Stakeholders' Relationship Committee

a) Name of non-executive director heading the committee

Mr. Sushil Kumar Dhandhanian, an independent director of the Company is the Chairman of the stakeholders' relationship committee. The details of composition of stakeholders' relationship committee with names of members and chairperson are as follows:

ANNEXURE I TO THE BOARD'S REPORT (Contd.)

Name of the directors	Designation	Category
Mr. Sushil Kumar Dhandhanian	Chairman	Independent Director
Mr. Nawal Kishore Kejriwal	Member	Wholetime Director
Mr. Parag Keshar Bhattacharjee ³	Member	Independent Director
Mrs. Rashmi Prashad ³	Member	Independent Director

³ The stakeholders' relationship committee was re-constituted with effect from 1st April, 2019 with Mrs. Rashmi Prashad appointed as a member in place of Mr. Parag Keshar Bhattacharjee, who has retired from the Board of directors on completion of his term of office on 31st March, 2019.

b) Name and designation of Compliance Officer

Mr. Aditya Banerjee, company secretary of the Company is the compliance officer.

c) Number of shareholders' complaints received so far, number not solved to the satisfaction of shareholders, Number of pending complaints.

During the year under review, 2 investor complaints were received which have been redressed to the satisfaction of the concerned shareholders. The Company had no request pending for share transfer/transmission at the close of financial year. Queries received from the investors are replied generally within 15 days of the receipt of the letters/ mails.

7. Corporate Social Responsibility Committee

a) Composition, name of members and chairperson

The details of composition of corporate social responsibility (CSR) committee with name of members and chairperson are as follows:

Name of the directors	Designation	Category
Mrs. Malati Kanoria	Chairperson	Non-executive Director
Mr. Padam Kumar Khaitan	Member	Independent Director
Mr. Sushil Kumar Dhandhanian ⁴	Member	Independent Director
Mrs. Rashmi Prashad ⁴	Member	Independent Director

b) Meetings and attendance

2 (two) meetings of the CSR committee were held on 23rd May, 2018 and 13th February, 2019.

Name of the directors	Number of meetings attended
Mrs. Malati Kanoria	2
Mr. Padam Kumar Khaitan	2
Mr. Sushil Kumar Dhandhanian ⁴	2
Mrs. Rashmi Prashad ⁴	NA

⁴ The corporate social responsibility committee was re-constituted with effect from 1st April, 2019 with Mrs. Rashmi Prashad appointed as a member in place of Mr. Sushil Kumar Dhandhanian.

8. Separate meeting of Independent Directors

During the year, the independent directors held a separate meeting on Monday, 18th March, 2019 and carried out inter alia the performance evaluation of the Chairman and Managing Director of the Company, other non-independent directors and the Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties, as per the requirement of Schedule IV to the Companies Act, 2013 read with Regulation 25(3) of the Listing Regulations. The meeting was attended by all the independent directors.

ANNEXURE I TO THE BOARD'S REPORT (Contd.)

9. General Body Meetings

a) Location and time where last three Annual General Meetings (AGM) were held and number of special resolution passed:

Financial Year	Location	Date and Time of AGM	Special Resolutions Passed
2015-2016	The Sitaram Seksaria Auditorium Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani (4th Floor), Kolkata 700 017	29th July, 2016 11:00 a.m.	i. Adoption of new Articles of Association of the Company ii. Re-appointment of Mr. Nawal Kishore Kejriwal as whole time director iii. Consent to create mortgage and/or charge over the assets of the Company
2016-2017		25th August, 2017 11:00 a.m.	Nil
2017-2018		10th August, 2018 11:00 a.m.	i. Re-appointment of Mr. Nawal Kishore Kejriwal as whole time director ii. Re-appointment of Mr. Navin Nayar as independent director for second term of five consecutive years iii. Re-appointment of Mr. Padam Kumar Khaitan as independent director for second term of five consecutive years iv. Re-appointment of Mr. Sushil Kumar Dhandhanias as independent director for second term of five consecutive years v. Keeping Register of Member, Index of Member and Register of renewed and duplicate certificates at the office of Registrar and Share Transfer Agent

b) Postal Ballot

No special resolution was passed during last year through postal ballot. Agenda Item No. 9 of the Notice convening the ensuing AGM for giving loans or extending guarantee or providing security in excess of the limit specified under sub-section (3) of section 186 of the Companies Act, 2013 requires passing a special resolution through postal ballot. However, this item of business is being transacted at the ensuing AGM by providing facility to members to cast their vote by electronic means in pursuance to the proviso to Section 110(1) of the Companies Act, 2013.

10. Means of Communication

- The quarterly financial results of the Company are uploaded at the website of BSE Limited and the website of the Company and simultaneously published in newspapers within the stipulated time.
- Financial results are published in Business Standard in its all India editions (in English) and Aajkal (in Bengali).
- The Company has its own functional website "www.groupcheviot.net" where information about the Company, quarterly and annual audited financial results and financial statements, annual reports, distribution of shareholding at the end of the each quarter, official press releases, information required to be disclosed under Regulations 30(8), 46 and other applicable provisions of the Listing Regulations are regularly updated.
- The Company has not made any presentation to institutional investors or to the analysts during the year under review.
- Management discussion and analysis forms part of the Board's report.

ANNEXURE I TO THE BOARD'S REPORT (Contd.)

11. General Shareholder information

i)	Annual General Meeting (AGM): Date, Time and Venue	24th July, 2019 at 11.00 a.m. at The Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017
ii)	Financial Calendar (Tentative)	I. Financial Year : 1st April 2019 to 31st March 2020 II. First quarter results : On or before 14th August, 2019 III. Half yearly results : On or before 14th November, 2019 IV. Third quarter results : On or before 14th February, 2020 V. Audited Financial Statements : On or before 30th May, 2020
iii)	Dividend payment date	Monday, 29th July, 2019
iv)	The name and address of each stock exchange(s) at which the Company's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400001 Listing Fees for the year 2019-2020 has been paid on 12th April, 2019.
v)	Stock Code-Physical	526817 on BSE Limited
	Demat ISIN Number for NSDL and CDSL	INE974B01016
vi)	Market Price data: High, Low during each month in last financial year	Information has been given at the end of clause 11.
vii)	Stock performance of the Company in comparison to BSE Sensex. (April, 2018 to March, 2019)	Information has been given at the end of clause 11.
viii)	Registrar and Share Transfer Agent	Maheshwari Datamatics Private Limited 23, R.N Mukherjee Road, 5th Floor, Kolkata - 700001 Ph. 033- 2248-2248/2243-5029 Fax : 033-2248 4787 E-Mail : mdpldc@yahoo.com
ix)	Share Transfer System	Information has been given at the end of clause 11.
x)	Distribution of Shareholding as on 31st March, 2019	Information has been given at the end of clause 11.
xi)	Dematerialisation of shares and liquidity	As on 31st March, 2019, 97.9133% of the Company's paid-up share capital representing 63,31,929 shares is held in dematerialised form.
xii)	Outstanding GDRs/ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity	Not issued
xiii)	Commodity price risk or foreign exchange risk and hedging activities	The Company has proper system to monitor the foreign exchange exposures on regular basis and appropriate steps are taken by the management to limit the risks of adverse exchange rate movement by entering into forward contract for hedging foreign exchange exposure against exports and imports. The details of hedged and unhedged foreign currency exposure are reported at Note No. 54.3(c)(ii)(a) to the financial statements for the year ended 31st March, 2019.
xiv)	Plant Locations	The Company's plants are located at following places : i) 19, Mehta Road, Badekalinagar, Budge Budge, 24- Parganas (South) - 700 137 (West Bengal); ii) Sector II, Falta Special Economic Zone, Falta, 24- Parganas (South) -743 504 (West Bengal).
xv)	Address for Correspondence	Cheviot Company Limited 24, Park Street, Magma House (9th Floor) Kolkata - 700 016 Phone : +91 82320 87911/12/13; Fax : (033) 2249 7269/2217 2488 Email : cheviot@chevjute.com E-voting e-mail ID : evoting@chevjute.com Investor service e-mail ID: investorservices@chevjute.com Website : www.groupcheviot.net

ANNEXURE I TO THE BOARD'S REPORT (Contd.)

xvi)	List of all credit ratings obtained by the Company along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad.	The Company has obtained Bank Loan Rating from Crisil Limited as under:-	
		Total Bank Loan Facilities Rated	₹ 32 Crores
		Long-Term Rating	Crisil A+/Stable
		Short-Term Rating	Crisil A1+
		There has been no revision in the rating during the financial year 2018-19.	

Information in respect of clause 11 (vi)

Market Price data: High, Low during 2018-2019 is given in the table below :

Month	BSE Limited	
	High (₹)	Low (₹)
April, 2018	1,650	1,380
May, 2018	1,660	1,260
June, 2018	1,367	1,177
July, 2018	1,480	1,206
August, 2018	1,440	881 *
September, 2018	918	751
October, 2018	800	652
November, 2018	794	671
December, 2018	748	680
January, 2019	754	674
February, 2019	714	640
March, 2019	725	651

Information in respect of clause 11 (vii)

Stock performance of the Company in comparison to BSE Sensex (April, 2018 to March, 2019)

Month	Company' share price at BSE Limited		BSE Sensex	
	High (₹)	Low (₹)	High	Low
April, 2018	1,650	1,380	35,213.30	32,972.56
May, 2018	1,660	1,260	35,993.53	34,302.89
June, 2018	1,367	1,177	35,877.41	34,784.68
July, 2018	1,480	1,206	37,644.59	35,106.57
August, 2018	1,440	881 *	38,989.65	37,128.99
September, 2018	918	751	38,934.35	35,985.63
October, 2018	800	652	36,616.64	33,291.58
November, 2018	794	671	36,389.22	34,303.38
December, 2018	748	680	36,554.99	34,426.29
January, 2019	754	674	36,701.03	35,375.51
February, 2019	714	640	37,172.18	35,287.16
March, 2019	725	651	38,748.54	35,926.94

* Pursuant to issue of Bonus Ordinary Shares during the year in the ratio of one bonus ordinary share for every two ordinary shares held by the members, as on 31st August, 2018.

ANNEXURE I TO THE BOARD'S REPORT (Contd.)

Information in respect of clause 11 (ix)

Share Transfer System

Share transfers in physical and dematerialised form are processed by the Registrar and Share Transfer Agent, M/s Maheshwari Datamatics Private Limited on regular basis. The transfer/transmission of shares are approved in accordance with the powers delegated by the Board of directors to the chairman and managing director, wholetime director, president (corporate affairs) and company secretary.

The shares lodged for transfer/dematerialisation are processed within 15 days from the date of their lodgement, if transfer instruments are found valid and complete in all respects.

As stipulated by SEBI, M/s MR & Associates, a firm of Practising Company Secretaries carries out the secretarial audit to reconcile the total admitted capital in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form and to confirm that the total listed and paid-up capital are in agreement with the aggregate number of shares. This audit is carried out in every quarter and the report is submitted to the BSE Limited.

Information in respect of clause 11 (x)

a) Distribution of Shareholding as on 31st March, 2019 :

Number of Ordinary shares held	Number of Ordinary Shares	Percentage of Shareholding	Number of Shareholders/folios	Percentage of Shareholders/folios
Up to 500	6,48,281	10.0246	7,900	93.8019
501 to 1000	1,98,754	3.0734	282	3.3484
1001 to 2000	2,13,633	3.3035	156	1.8523
2001 to 3000	79,418	1.2281	33	0.3918
3001 to 4000	55,106	0.8521	16	0.1900
4001 to 5000	36,916	0.5709	8	0.0950
5001 to 10000	94,186	1.4564	14	0.1662
10001 and above	51,40,581	79.4910	13	0.1544
Total	64,66,875	100.0000	8,422	100.0000
Physical Mode	1,34,946	2.0867	690	8.1928
Demat Mode	63,31,929	97.9133	7,732	91.8072

b) Shareholding Pattern as on 31st March, 2019 :

Category Code	Category of shareholders	Number of shareholders	Total number of shares	As a percentage of total shares
(A)	Shareholding of Promoter and Promoter Group*			
	1. Indian	7	48,49,533	74.9904
	2. Foreign	-	-	-
	Total Shareholding of Promoter and Promoter Group	7	48,49,533	74.9904
(B)	Public Shareholding			
	1. Institutions	18	18,024	0.2787
	2. Non-institutions	8,397	15,99,318	24.7309
	Total Public Shareholding	8,415	16,17,342	25.0096
(C)	Shares held by Custodians and against which Depository Receipts have been issued			
	1. Promoter and Promoter Group	-	-	-
	2. Public	-	-	-
	Total Shares held by Custodians	-	-	-
	TOTAL (A)+(B)+(C)	8,422	64,66,875	100.0000

* As per disclosure furnished by the promoters under Regulation 30(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

ANNEXURE I TO THE BOARD'S REPORT (Contd.)

12. CEO and CFO certification

Mr. Harsh Vardhan Kanoria, chairman and managing director, chief executive officer and Mr. Madhup Kumar Patni, chief financial officer of the Company, provide compliance certificate to the Board of directors, in terms of Regulation 17 of the Listing Regulations.

13. Declaration on compliance with Company's code of conduct

The Board of directors have formulated a code of conduct applicable to all the directors and senior management personnel of the Company incorporating duties of independent directors which has been posted on the website of the Company (<http://www.groupcheviot.net/investors-jute/corporate-governance-jute/>). A declaration signed by the chief executive officer of the Company affirming compliance with the Company's code of conduct by the directors and senior management personnel of the Company is appended to this report.

14. Disclosure with respect to demat suspense account / unclaimed suspense account

As on 31st March, 2019, there are no outstanding shares of the Company lying in the demat suspense / unclaimed suspense account.

15. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Sl. No.	Particulars	
a.	number of complaints filed during the financial year	Nil
b.	number of complaints disposed of during the financial year	Nil
c.	number of complaints pending as on end of the financial year	Nil

16. Other Disclosures

- There are no materially significant related party transactions between the Company and its promoters, directors or their relatives etc. that may have potential conflict with the interests of Company at large. All transactions were entered with related party in the ordinary course of business and at arm's length price with prior omnibus approval of the audit committee in line with the policy on related party transaction of the Company. Disclosures as required under IND AS-24 have been made in Note 51 to the financial statements for the year ended 31st March, 2019. Policy on related party transactions and other policies and code of conduct adopted by the Board of directors are displayed on the website (<http://www.groupcheviot.net/investors-jute/corporate-governance-jute/>).
- During the last three years, no penalty or stricture has been imposed on the Company by BSE Limited or SEBI or any other statutory authority for non-compliance of any matter related to the capital markets.
- Whistle blower policy/vigil mechanism established by the Company offers appropriate protection to the whistle blower(s) from victimisation, harassment or disciplinary proceedings. The whistle blower(s) may also lodge his/their complaint(s)/concern(s) with the Chairman of the audit committee. No personnel has been denied access to the audit committee.
- Disclosure of compliance with mandatory and non-mandatory corporate governance requirements :

The Company has complied with various corporate governance requirements as specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 read with Schedule V to Listing Regulations.

a. Mandatory requirements: The Company has complied with all mandatory requirements under the Listing Regulations.

b. Discretionary requirements: The Chairman of the Company being an executive director, maintaining a chairman's office for non-executive chairman is not applicable. The Company did not send half-yearly declaration of financial performance to each household of shareholders since the financial results were made available on the website for public information. The Company has received financial statements with un-modified audit opinion from the auditors during the year ended 31st March, 2019. The internal auditors of the Company have access to directly report to the audit committee.

ANNEXURE I TO THE BOARD'S REPORT *(Contd.)*

- The Company does not have any subsidiary.
- The details of fees paid/payable to the Statutory Auditors by the Company have been disclosed in Note 40 to the financial statements for the year ended 31st March, 2019.
- The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations.
- A certificate from a practising company secretary has been received stating that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any other statutory authority.
- There has not been any instance where the Board of directors did not accept the recommendations of committees of the Board, which is mandatorily required.
- Compliance certificate from M/s SJAB & Associates, a firm of practising company secretaries regarding compliance of conditions of corporate governance is appended to this report.

For and on behalf of the Board
CHEVIOT COMPANY LIMITED

Harsh Vardhan Kanoria

Chairman and Managing Director,
Chief Executive Officer
DIN : 00060259

Place : Kolkata
Date : 27th May, 2019

ANNEXURE I TO THE BOARD'S REPORT (Contd.)

Declaration on compliance with Company's Code of Conduct as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Members,

I hereby declare that to the best of my knowledge and belief, all the members of Board of directors and senior management personnel of the Company have affirmed compliance with the Company's code of conduct for the financial year ended 31st March, 2019.

Harsh Vardhan Kanoria

Chairman and Managing Director,

Chief Executive Officer

DIN : 00060259

Kolkata, 27th May, 2019

Auditors' Certificate on Compliance with the conditions of Corporate Governance

(As stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To the Members of Cheviot Company Limited

We have examined the compliance of conditions of Corporate Governance by Cheviot Company Limited ('the Company') for the year ended on 31st March, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2019.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SJAB & Associates**

Practising Company Secretaries

[Aditi Jhunhunwala]

Partner

Place : Kolkata

Dated : 27th May, 2019

Membership No. A26988

CP no. 20346

ANNEXURE II TO THE BOARD'S REPORT

FORM NO. MGT - 9

Extract of annual return as on the financial year ended on 31st March, 2019

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

I. REGISTRATION AND OTHER DETAILS :

i)	CIN	L65993WB1897PLC001409
ii)	Registration Date	27th December, 1897
iii)	Name of the Company	Cheviot Company Limited
iv)	Category / Sub-Category of the Company	Public Limited Company
v)	Address of the Registered office and contact details	24, Park Street, Magma House, 9th Floor, Kolkata- 700016 Telephone : +91 82320 87911/12/13 Fax : (033) 2249 7269/ 2217 2488 Email ID : cheviot@chevjute.com
vi)	Whether listed company or not	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Maheshwari Datamatics Private Limited 23, R.N. Mukherjee Road, 5th Floor, Kolkata - 700 001 Telephone : (033) 2248 2248 / 2243 5029 Fax : (033) 2248-4787 Email ID : mdpldc@yahoo.com

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 :

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Jute Products	131, 139	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl. No	Name and Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Harsh Investments Private Limited 24, Park Street, Magma House, 9th Floor, Kolkata - 700 016	U28993WB1971PTC028158	HOLDING	57.2525%	2(46)

ANNEXURE II TO THE BOARD'S REPORT (Contd.)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year (As on 1st April, 2018)				No. of Shares held at the end of the year (As on 31st March, 2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
	1) Indian									
	a) Individuals/Hindu Undivided Family	7,45,093	-	7,45,093	17.2825	11,32,638	-	11,32,638	17.5145	0.2320
	b) Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
	c) Bodies Corporate	24,77,931	-	24,77,931	57.4760	37,16,895	-	37,16,895	57.4759	(0.0001)
	d) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
	e) Any other (specify)	-	-	-	-	-	-	-	-	-
	Sub-total (A) (1)	32,23,024	-	32,23,024	74.7585	48,49,533	-	48,49,533	74.9904	0.2319
	2) Foreign									
	a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
	b) Other- Individuals	-	-	-	-	-	-	-	-	-
	c) Bodies Corporate	-	-	-	-	-	-	-	-	-
	d) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
	e) Any other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
	Total shareholding of Promoters (A) = (A) (1) + (A) (2)	32,23,024	-	32,23,024	74.7585	48,49,533	-	48,49,533	74.9904	0.2319
B.	Public Shareholding									
	1) Institutions									
	a) Mutual Funds	100	100	200	0.0046	150	150	300	0.0046	-
	b) Banks / Financial Institutions	126	6,794	6,920	0.1605	189	9,809	9,998	0.1546	(0.0059)
	c) Central Government	-	-	-	-	7,726	-	7,726	0.1195	0.1195
	d) State Government(s)	-	-	-	-	-	-	-	-	-
	e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
	f) Insurance Companies	-	-	-	-	-	-	-	-	-
	g) FIs	-	-	-	-	-	-	-	-	-
	h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	i) Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B) (1)	226	6,894	7,120	0.1651	8,065	9,959	18,024	0.2787	0.1136
	2) Non-Institutions									
	a) Bodies Corporate									
	i) Indian	92,349	7,778	1,00,127	2.3225	1,03,619	9,954	1,13,573	1.7562	(0.5663)
	ii) Overseas	-	-	-	-	-	-	-	-	-

ANNEXURE II TO THE BOARD'S REPORT (Contd.)

Category of Shareholders			No. of Shares held at the beginning of the year (As on 1st April, 2018)				No. of Shares held at the end of the year (As on 31st March, 2019)				% Change during the year
			Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b)	Individuals										
	i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	6,96,098	74,230	7,70,328	17.8679	10,98,206	91,605	11,89,811	18.3985	0.5306
	ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	93,452	–	93,452	2.1676	38,770	–	38,770	0.5995	(1.5681)
	c) Others (specify)										
	i)	Non Resident Individual	18,839	16,164	35,003	0.8119	31,234	23,428	54,662	0.8453	0.0334
	ii)	Custodian of Enemy Property	5,537	–	5,537	0.1284	–	–	–	–	(0.1284)
	iii)	Clearing Member	25,118	–	25,118	0.5826	1,17,853	–	1,17,853	1.8224	1.2398
	iv)	Trusts	419	–	419	0.0097	628	–	628	0.0097	–
	v)	NBFCs registered with RBI	–	–	–	–	3	–	3	0.0001	0.0001
	vi)	IEPF Authority	51,122	–	51,122	1.1858	84,018	–	84,018	1.2992	0.1134
Sub-Total (B) (2)			9,82,934	98,172	10,81,106	25.0764	14,74,331	1,24,987	15,99,318	24.7309	(0.3455)
Total Public Shareholding (B) = (B) (1) + (B) (2)			9,83,160	1,05,066	10,88,226	25.2415	14,82,396	1,34,946	16,17,342	25.0096	(0.2319)
C. Shares held by Custodian for GDRs & ADRs			–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)			42,06,184	1,05,066	43,11,250	100.0000	63,31,929	1,34,946	64,66,875	100.0000	0.0000

Pursuant to issue of Bonus Ordinary Shares during the year in the ratio of one bonus ordinary share for every two ordinary share held by the members, the total number of issued, subscribed and paid-up share capital of the Company had increased from 43,11,250 ordinary shares to 64,66,875 ordinary shares.

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1st April, 2018)			Shareholding at the end of the year (As on 31st March, 2019)			% Change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Total Shares pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Total Shares pledged/encumbered to total shares	
1	Mr. Harsh Vardhan Kanoria	3,20,569	7.4356	–	4,80,853	7.4356	–	–
2	Mrs. Malati Kanoria	2,65,851	6.1665	–	3,98,776	6.1665	–	–
3	Mr. Utkarsh Kanoria	1,58,673	3.6804	–	2,53,009	3.9124	–	0.2320
4	Harsh Investments Private Limited	24,68,297	57.2525	–	37,02,445	57.2525	–	–
5	Abhyadoot Finance and Investments Private Limited	8,631	0.2002	–	12,946	0.2002	–	–
6	Cheviot International Limited	139	0.0032	–	208	0.0032	–	–
7	Cheviot Agro Industries Private Limited	864	0.0201	–	1,296	0.0200	–	(0.0001)
Total		32,23,024	74.7585	–	48,49,533	74.9904	–	0.2319

ANNEXURE II TO THE BOARD'S REPORT (Contd.)

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

Sl. No.				Shareholding at the beginning of the year (As on 1st April, 2018)		Cumulative Shareholding during the year } (1st April, 2018 to 31st March, 2019)	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Mr. Harsh Vardhan Kanoria						
	At the beginning of the year			3,20,569	7.4356	3,20,569	7.4356
	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	31-08-2018	Bonus Shares	1,60,284	-	4,80,853	7.4356
	At the end of the year					4,80,853	7.4356
2	Mrs. Malati Kanoria						
	At the beginning of the year			2,65,851	6.1665	2,65,851	6.1665
	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	31-08-2018	Bonus Shares	1,32,925	-	3,98,776	6.1665
	At the end of the year					3,98,776	6.1665
3	Mr. Utkarsh Kanoria						
	At the beginning of the year			1,58,673	3.6804	1,58,673	3.6804
	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	31-08-2018	Bonus Shares	79,336	-	2,38,009	3.6804
		02-11-2018	Market Purchase	15,000	0.2320	2,53,009	3.9124
	At the end of the year					2,53,009	3.9124
4	Harsh Investments Private Limited						
	At the beginning of the year			24,68,297	57.2525	24,68,297	57.2525
	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	31-08-2018	Bonus Shares	12,34,148	-	37,02,445	57.2525
	At the end of the year					37,02,445	57.2525
5	Abhyadoot Finance and Investments Private Limited						
	At the beginning of the year			8,631	0.2002	8,631	0.2002
	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	31-08-2018	Bonus Shares	4,315	-	12,946	0.2002
	At the end of the year					12,946	0.2002

ANNEXURE II TO THE BOARD'S REPORT (Contd.)

Sl. No.				Shareholding at the beginning of the year (As on 1st April, 2018)		Cumulative Shareholding during the year (1st April, 2018 to 31st March, 2019)	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
6	Cheviot International Limited						
	At the beginning of the year			139	0.0032	139	0.0032
	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	31-08-2018	Bonus Shares	69	-	208	0.0032
	At the end of the year					208	0.0032
7	Cheviot Agro Industries Private Limited						
	At the beginning of the year			864	0.0201	864	0.0201
	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	31-08-2018	Bonus Shares	432	-	1,296	0.0200
	At the end of the year					1,296	0.0200

iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sl. No.	For Each of the Top Ten Shareholders			Shareholding at the beginning of the year (As on 1st April, 2018)		Cumulative Shareholding during the year (1st April, 2018 to 31st March, 2019)	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Vijay Kishanlal Kedia						
	At the beginning of the year			67,160	1.5578	67,160	1.5578
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	31-08-2018	Bonus Shares	33,580	-	1,00,740	1.5578
		01-02-2019	Market Sale	(15,000)	(0.2320)	85,740	1.3258
		22-02-2019	Market Purchase	15,000	0.2320	1,00,740	1.5578
		29-03-2019	Market Sale	(75,000)	(1.1598)	25,740	0.3980
	At the end of the year					25,740	0.3980
2	Wallfort Financial Services Limited						
	At the beginning of the year			25,000	0.5799	25,000	0.5799
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	25-05-2018	Market Purchase	15	0.0003	25,015	0.5802
		01-06-2018	Market Sale	(1)	(0.0000)	25,014	0.5802
		22-06-2018	Market Sale	(14)	(0.0003)	25,000	0.5799
		31-08-2018	Bonus Shares	12,499	-	37,499	0.5799
		07-09-2018	Market Sale	(2,500)	(0.0387)	34,999	0.5412
		12-10-2018	Market Purchase	5,001	0.0773	40,000	0.6185
	At the end of the year					40,000	0.6185

ANNEXURE II TO THE BOARD'S REPORT (Contd.)

Sl. No.	For Each of the Top Ten Shareholders			Shareholding at the beginning of the year (As on 1st April, 2018)		Cumulative Shareholding during the year (1st April, 2018 to 31st March, 2019)	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
3	Rajeev Aggarwal HUF						
	At the beginning of the year			15,600	0.3618	15,600	0.3618
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	01-06-2018	Market Purchase	1,000	0.0232	16,600	0.3850
		22-06-2018	Market Purchase	497	0.0116	17,097	0.3966
		06-07-2018	Market Sale	(1,477)	(0.0343)	15,620	0.3623
		31-08-2018	Bonus Shares	7,810	-	23,430	0.3623
		14-09-2018	Market Purchase	200	0.0031	23,630	0.3654
		28-09-2018	Market Purchase	70	0.0011	23,700	0.3665
		05-10-2018	Market Sale	(270)	(0.0042)	23,430	0.3623
		12-10-2018	Market Purchase	32	0.0005	23,462	0.3628
		19-10-2018	Market Purchase	100	0.0016	23,562	0.3644
		02-11-2018	Market Purchase	20	0.0003	23,582	0.3647
		16-11-2018	Market Sale	(152)	(0.0024)	23,430	0.3623
		30-11-2018	Market Sale	(5,200)	(0.0804)	18,230	0.2819
		07-12-2018	Market Sale	(1,000)	(0.0155)	17,230	0.2664
		14-12-2018	Market Sale	(3,990)	(0.0617)	13,240	0.2047
		08-02-2019	Market Sale	(810)	(0.0125)	12,430	0.1922
		01-03-2019	Market Purchase	100	0.0016	12,530	0.1938
		15-03-2019	Market Purchase	500	0.0077	13,030	0.2015
	At the end of the year					13,030	0.2015
4	Angel Fincap Private Limited						
	At the beginning of the year			7,871	0.1826	7,871	0.1826
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	06-04-2018	Market Sale	(162)	(0.0038)	7,709	0.1788
		04-05-2018	Market Purchase	1,021	0.0237	8,730	0.2025
		01-06-2018	Market Purchase	249	0.0058	8,979	0.2083
		15-06-2018	Market Purchase	3,509	0.0814	12,488	0.2897
		31-08-2018	Market Sale	(10,810)	(0.2508)	1,678	0.0389

ANNEXURE II TO THE BOARD'S REPORT (Contd.)

Sl. No.	For Each of the Top Ten Shareholders			Shareholding at the beginning of the year (As on 1st April, 2018)		Cumulative Shareholding during the year (1st April, 2018 to 31st March, 2019)	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
		31-08-2018	Bonus Shares	839	-	2,517	0.0389
		07-09-2018	Market Purchase	11,130	0.1721	13,647	0.2110
		14-09-2018	Market Purchase	5,445	0.0842	19,092	0.2952
		12-10-2018	Market Purchase	78	0.0012	19,170	0.2964
		02-11-2018	Market Purchase	10	0.0002	19,180	0.2966
		16-11-2018	Market Sale	(10)	(0.0002)	19,170	0.2964
		23-11-2018	Market Purchase	26	0.0004	19,196	0.2968
		30-11-2018	Market Purchase	573	0.0089	19,769	0.3057
		07-12-2018	Market Purchase	25	0.0004	19,794	0.3061
		14-12-2018	Market Purchase	13	0.0002	19,807	0.3063
		21-12-2018	Market Purchase	6,899	0.1067	26,706	0.4130
		28-12-2018	Market Sale	(200)	(0.0031)	26,506	0.4099
		01-03-2019	Market Purchase	9	0.0001	26,515	0.4100
		08-03-2019	Market Sale	(5)	(0.0001)	26,510	0.4099
	At the end of the year					26,510	0.4099
5	Progressive Share Brokers Private Limited						
	At the beginning of the year						
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	27-04-2018	Market Purchase	100	0.0023	100	0.0023
		04-05-2018	Market Sale	(100)	(0.0023)	-	-
		25-05-2018	Market Purchase	2,500	0.0580	2,500	0.0580
		06-07-2018	Market Sale	(500)	(0.0116)	2,000	0.0464
		10-08-2018	Market Purchase	10	0.0002	2,010	0.0466
		17-08-2018	Market Sale	(10)	(0.0002)	2,000	0.0464
		31-08-2018	Bonus Shares	1,000	-	3,000	0.0464
		07-09-2018	Market Purchase	20	0.0003	3,020	0.0467
		14-09-2018	Market Sale	(1)	(0.0000)	3,019	0.0467

ANNEXURE II TO THE BOARD'S REPORT (Contd.)

Sl. No.	For Each of the Top Ten Shareholders			Shareholding at the beginning of the year (As on 1st April, 2018)		Cumulative Shareholding during the year (1st April, 2018 to 31st March, 2019)	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
		21-09-2018	Market Sale	(4)	(0.0001)	3,015	0.0466
		12-10-2018	Market Sale	(15)	(0.0002)	3,000	0.0464
		19-10-2018	Market Purchase	10	0.0002	3,010	0.0466
		02-11-2018	Market Sale	(10)	(0.0002)	3,000	0.0464
		16-11-2018	Market Purchase	10	0.0002	3,010	0.0466
		30-11-2018	Market Sale	(10)	(0.0002)	3,000	0.0464
		01-02-2019	Market Purchase	15,000	0.2320	18,000	0.2784
		22-02-2019	Market Sale	(14,990)	(0.2318)	3,010	0.0466
		01-03-2019	Market Sale	(10)	(0.0002)	3,000	0.0464
		29-03-2019	Market Purchase	75,000	1.1598	78,000	1.2061
		At the end of the year				78,000	1.2061
6	Sanjay Natvarlal Shah						
	At the beginning of the year			9,216	0.2138	9,216	0.2138
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	31-08-2018	Bonus Shares	4608	-	13,824	0.2138
	At the end of the year					13,824	0.2138
7	Anmol Gobindram Sekhri						
	At the beginning of the year			2,790	0.0647	2,790	0.0647
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	31-08-2018	Bonus Shares	1,395	-	4,185	0.0647
		28-12-2018	Market Purchase	200	0.0031	4,385	0.0678
		04-01-2019	Market Purchase	100	0.0016	4,485	0.0694
		11-01-2019	Market Purchase	36	0.0005	4,521	0.0699
		18-01-2019	Market Purchase	115	0.0018	4,636	0.0717
		25-01-2019	Market Purchase	1,152	0.0178	5,788	0.0895
		01-02-2019	Market Purchase	50	0.0008	5,838	0.0903
		08-02-2019	Market Purchase	1,289	0.0199	7,127	0.1102
		15-02-2019	Market Purchase	473	0.0073	7,600	0.1175

ANNEXURE II TO THE BOARD'S REPORT (Contd.)

Sl. No.	For Each of the Top Ten Shareholders			Shareholding at the beginning of the year (As on 1st April, 2018)		Cumulative Shareholding during the year (1st April, 2018 to 31st March, 2019)	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
		22-02-2019	Market Purchase	350	0.0054	7,950	0.1229
		01-03-2019	Market Purchase	5	0.0001	7,955	0.1230
		08-03-2019	Market Purchase	10	0.0002	7,965	0.1232
		15-03-2019	Market Purchase	61	0.0009	8,026	0.1241
		22-03-2019	Market Purchase	262	0.0041	8,288	0.1282
		29-03-2019	Market Purchase	25	0.0004	8,313	0.1286
		At the end of the year					8,313
8	Saunijyot Advisory Services LLP						
	At the beginning of the year			7,620	0.1767	7,620	0.1767
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	31-08-2018	Bonus Shares	3,810	-	11,430	0.1767
	At the end of the year					11,430	0.1767
9	Bhuvnesh Kumar Bansal						
	At the beginning of the year			-	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	08-02-2019	Market Purchase	9,000	0.1392	9,000	0.1392
	At the end of the year					9,000	0.1392
10	Manish Poddar HUF						
	At the beginning of the year			6,000	0.1392	6,000	0.1392
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	31-08-2018	Bonus Shares	3,000	-	9,000	0.1392
	At the end of the year					9,000	0.1392

ANNEXURE II TO THE BOARD'S REPORT (Contd.)

v) Shareholding of Directors and Key Managerial Personnel :

Sl No.	For Each of the Directors and KMP			Shareholding at the beginning of the year (As on 1st April, 2018)		Cumulative Shareholding during the year (1st April, 2018 to 31st March, 2019)	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Mr. Harsh Vardhan Kanoria, Chairman and Managing Director						
	At the beginning of the year			3,20,569	7.4356	3,20,569	7.4356
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	31-08-2018	Bonus Shares	1,60,284	-	4,80,853	7.4356
	At the end of the year					4,80,853	7.4356
2	Mrs. Malati Kanoria, Non-Executive Director						
	At the beginning of the year			2,65,851	66.1665	2,65,851	66.1665
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	31-08-2018	Bonus Shares	1,32,925	-	3,98,776	6.1665
	At the end of the year					3,98,776	6.1665
3	Mr. Utkarsh Kanoria, Wholetime Director						
	At the beginning of the year			1,58,673	3.6804	1,58,673	3.6804
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	31-08-2018	Bonus Shares	79,336	-	2,38,009	3.6804
		02-11-2018	Market Purchase	15,000	0.2320	2,53,009	3.9124
4	Mr. Nawal Kishore Kejriwal, Wholetime Director						
	At the beginning of the year			280	0.0065	280	0.0065
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	31-08-2018	Bonus Shares	140	-	420	0.0065
	At the end of the year					420	0.0065
5	Mr. Madhup Kumar Patni, Chief Financial Officer						
	At the beginning of the year			9	0.0002	9	0.0002
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	31-08-2018	Bonus Shares	4	-	13	0.0002
	At the end of the year					13	0.0002
6	Mr. Aditya Banerjee, Company Secretary						
	At the beginning of the year			10	0.0002	10	0.0002
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	31-08-2018	Bonus Shares	5	-	15	0.0002
	At the end of the year					15	0.0002

Note : Other Directors on the Board are not holding any share of the Company.

ANNEXURE II TO THE BOARD'S REPORT (Contd.)

(₹ in Lakhs)

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment :

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
Indebtedness at the beginning of the financial year (1st April, 2018)					
i)	Principal Amount	₹ 574.20	-	-	₹ 574.20
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	₹ 0.33	-	-	₹ 0.33
Total (i+ii+iii)		₹ 574.53	-	-	₹ 574.53
Change in Indebtedness during the financial year					
	Addition	-	-	-	-
	Reduction	₹ 488.87	-	-	₹ 488.87
Net Change		₹ (488.87)	-	-	₹ (488.87)
Indebtedness at the end of the financial year (31st March, 2019)					
i)	Principal Amount	₹ 85.46	-	-	₹ 85.46
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	₹ 0.20	-	-	₹ 0.20
Total (i+ii+iii)		₹ 85.66	-	-	₹ 85.66

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to managing director, wholetime director and/or Manager :

Sl. No.	Particulars of Remuneration	Name of MD/MTD/Manager			Total Amount
		Mr. Harsh Vardhan Kanoria, Chairman and Managing Director, CEO	Mr. Nawal Kishore Kejriwal, Wholetime Director	Mr. Utkarsh Kanoria, Wholetime Director	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	₹ 27.37	₹ 34.60	₹ 31.18	₹ 93.15
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	₹ 33.20	₹ 0.54	₹ 0.52	₹ 34.26
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	₹ 279.00	₹ 30.00	₹ 241.00	₹ 550.00
5	Others, please specify	-	-	-	-
	(Retiral Benefits)	₹ 2.68	₹ 3.55	₹ 1.52	₹ 7.75
	Total (A)	₹ 342.25	₹ 68.69	₹ 274.22	₹ 685.16
	Ceiling as per the Act	₹ 687.44 (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

ANNEXURE II TO THE BOARD'S REPORT (Contd.)

(₹ in Lakhs)

B. Remuneration to other directors :

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Parag Keshar Bhattacharjee	Mr. Padam Kumar Khaitan	Mr. Sushil Kumar Dhandhanania	Mr. Navin Nayar	Mrs. Malati Kanoria	
1.	Independent directors						
	Fee for attending board/ committee meetings	₹ 0.15	₹ 0.25	₹ 0.25	₹ 0.25	-	₹ 0.90
	Commission	₹ 5.00	₹ 5.00	₹ 5.00	₹ 5.00	-	₹ 20.00
	Others, please specify	-	-	-	-	-	-
	Total (1)	₹ 5.15	₹ 5.25	₹ 5.25	₹ 5.25	-	₹ 20.90
2.	Other non-executive directors						
	Fee for attending board/ committee meetings	-	-	-	-	0.20	₹ 0.20
	Commission	-	-	-	-	5.00	₹ 5.00
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	5.20	₹ 5.20
	Total (B) = (1 + 2)	₹ 5.15	₹ 5.25	₹ 5.25	₹ 5.25	5.20	₹ 26.10
	Total Managerial Remuneration (A + B)						₹ 711.26
	Overall Ceiling as per the Act	₹ 756.19 (being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)					

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key managerial personnel		Total Amount
		Chief Financial Officer	Company Secretary	
1.	Gross Salary			
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	₹ 35.18	₹ 16.82	₹ 52.00
(b)	Value of perquisites under section 17(2) of the Income Tax Act, 1961	₹ 0.21	₹ 0.19	₹ 0.40
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
5.	Others, please specify	-	-	-
	(Retiral Benefits)	₹ 3.32	₹ 2.74	₹ 6.06
	Total (C)	₹ 38.71	₹ 19.75	₹ 58.46

ANNEXURE II TO THE BOARD'S REPORT *(Contd.)*

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY			None		
Penalty					
Punishment					
Compounding					
B. DIRECTORS			None		
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT			None		
Penalty					
Punishment					
Compounding					

ANNEXURE III TO THE BOARD'S REPORT

(₹ in Lakhs)

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 :

A. Conservation of Energy

(i)	The steps taken or impact on conservation of energy	Following steps taken for conservation of energy during the year have reduced consumption of energy :
		(i) Modification of conventional spinning frames;
		(ii) Retrofitting and replacement of induction motors with EFF-1 category motor and conventional pumps with new gear pump;
		(iii) Replacement of 150W SON Lamps with energy efficient LED 35W/40W street light;
		(iv) Replacement of 36W tube lights with energy efficient LED 18W tube lamps;
		(v) Insulation of steam pipe line and air-compressor pipe line;
(ii)	The steps taken by the Company for utilising alternate sources of energy	(vi) Installation and use of small capacitor banks to maintain Line Power Factor.
		Following steps are taken by the Company for utilising alternate sources of energy :
		(i) Optimum use of natural lighting during day time and safelux system to get the factory premises illuminated;
(iii)	The capital investment on energy conservation equipments	(ii) Use of jute waste in Boilers.
		During the year under review, there was no capital investment on energy conservation equipments. All energy conservation measures were consumable in nature.

B. Technology Absorption

(i)	The efforts made towards technology absorption	The Company keeps track of technological development in plant and machineries which are useful for Jute Industry and takes required measures for upgradation.
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	(i) Cost reduction;
		(ii) Improvement in productivity and operational efficiency.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -	No technology has been imported during the last three years.
	a) the details of technology imported	
	b) the year of import	
	c) whether the technology been fully absorbed	
	d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof, and	
(iv)	the expenditure incurred on research and development	The Company does not have in-house research and development facility and therefore no expenditure has been incurred in this regard.

C. Foreign Exchange earnings and outgo :

- (i) Foreign exchange earned during the year in terms of actual inflow : ₹ 13,969.60
- (ii) Foreign exchange outgo during the year in terms of actual outflow : ₹ 2,911.97

For and on behalf of the Board
CHEVIOT COMPANY LIMITED

Harsh Vardhan Kanoria

Chairman and Managing Director,
Chief Executive Officer
DIN : 00060259

Place : Kolkata
Date : 27th May, 2019

ANNEXURE IV TO THE BOARD'S REPORT

(₹ in Lakhs)

Annual Report on Corporate Social Responsibility (CSR) activities containing particulars given in Annexure as per Section 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 :

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:			In accordance with the Company's CSR policy, the CSR Programs were undertaken during the year 2018-19 in the field of promoting education, healthcare, women empowerment and nationally recognised sports. The CSR Policy is available on Company's website (https://www.groupcheviot.net-investors-jute/corporate-governance-jute/).			
2.	The Composition of the CSR Committee :			The CSR Committee consists of following members : 1. Mrs. Malati Kanoria (Non-executive Director) – Chairperson 2. Mr. Padam Kumar Khaitan (Independent Director) – Member 3. Mr. Sushil Kumar Dhandhanania (Independent Director) – Member @ 4. Mrs. Rashmi Prashad (Independent Director) – Member @			
3.	Average net profit of the Company for last three financial years :			₹ 5,478.84			
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) :			₹ 109.58			
5.	Details of CSR spent during the financial year (a) Total amount to be spent for the financial year : (b) Amount unspent, if any : (c) Manner in which the amount spent during the financial year is detailed below :			₹ 110.00 ₹ NIL			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Project or activity identified	Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013)	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program-wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent : Direct or through implementing agency
5a.	For promoting education	Cl. (ii) Education	1. Local Area 2. Budge Budge, 24 Parganas (South), West Bengal, India	₹ 12.25	₹ 12.25*	₹ 12.25	Through Implementing Agency: Cheviot Foundation#
5b.	For promoting healthcare	Cl. (i) Healthcare	1. Others 2. Assam, India	₹ 82.00	₹ 82.00*	₹ 82.00	
5c.	For promoting education	Cl. (ii) Education	1. Local Area 2. Gangarampur, D.H. Road, Dist. 24 Parganas (South), West Bengal, India	₹ 5.00	₹ 5.00*	₹ 5.00	Through Implementing Agency: Ramakrishna Sarada Mission, Gangarampur
5d.	For promoting nationally recognised sports	Cl. (vii) Nationally recognised sports	1. Others 2. Maharastra- Pune	₹ 5.75	₹ 5.75*	₹ 5.75	Through Implementing Agency: Lakshya Institute
5e.	For Empowering women	Cl. (iii) Empowering Women	1. Others 2. Kolkata, West Bengal, India	₹ 5.00	₹ 5.00*	₹ 5.00	Through Implementing Agency: Hope Kolkata Foundation
Total				₹ 110.00	₹ 110.00	₹ 110.00	

ANNEXURE IV TO THE BOARD'S REPORT (Contd.)

(₹ in Lakhs)

6.	In case the Company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board Report:	Not applicable
7.	A responsibility statement by the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:	The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

*Represents direct expenditure on projects or programs; Overheads Nil.

During the year, Company has contributed ₹ 82 to Cheviot Foundation for construction of Hospital Building at Assam under CSR Program. The Hospital Building is under construction as at 31st March, 2019.

@ The corporate social responsibility committee was reconstituted with effect from 1st April, 2019 with Mrs. Rashmi Prashad appointed as a member in place of Mr. Sushil Kumar Dhandhanania.

Place : Kolkata
Date : 27th May, 2019

Harsh Vardhan Kanoria
Chairman and Managing Director,
Chief Executive Officer
DIN: 00060259

Malati Kanoria
Non-Executive Director,
Chairperson of CSR Committee
DIN: 00253241

ANNEXURE V TO THE BOARD'S REPORT

(₹ in Lakhs)

STATEMENT OF DISCLOSURE OF REMUNERATION PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year :	
	Directors	Ratio
	Mr. Harsh Vardhan Kanoria, Chairman and Managing Director, Chief Executive Officer	211:1
	Mr. Utkarsh Kanoria, Wholetime Director	169:1
	Mr. Nawal Kishore Kejriwal, Wholetime Director	42:1
	Mrs. Malati Kanoria, Non Executive Director	3:1
	Mr. Navin Nayar, Independent Director	3:1
	Mr. Sushil Kumar Dhandhanania, Independent Director	3:1
	Mr. Padam Kumar Khaitan, Independent Director	3:1
	Mr. Parag Keshar Bhattacharjee, Independent Director	3:1
(ii)	The percentage increase in remuneration of each director, chief financial officer, chief executive officer, company secretary in the financial year:	
	Directors / Key Managerial Personnel	% Increase / (Decrease)
	Mr. Harsh Vardhan Kanoria, Chairman and Managing Director, Chief Executive Officer	(6)%
	Mr. Utkarsh Kanoria, Wholetime Director	(12)%
	Mr. Nawal Kishore Kejriwal, Wholetime Director	29%
	Mrs. Malati Kanoria, Non Executive Director	25%
	Mr. Navin Nayar, Independent Director	25%
	Mr. Sushil Kumar Dhandhanania, Independent Director	25%
	Mr. Padam Kumar Khaitan, Independent Director	25%
	Mr. Parag Keshar Bhattacharjee, Independent Director	24%
	Mr. Madhup Kumar Patni, Chief Financial Officer	2%
	Mr. Aditya Banerjee, Company Secretary	(8)%
(iii)	The percentage increase in the median remuneration of employees in the financial year:	10%
(iv)	The number of permanent employees on the rolls of Company : (as on 31st March, 2019)	3,979 employees
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: The average percentile increase in the salaries of employees other than the managerial personnel in the last financial year was around 7%. The remuneration of executive directors has reduced by 6% whereas the remuneration to non-executive directors has increased by 25% mainly on account of increase in commission from ₹ 4.00 to ₹ 5.00 each. However, the overall managerial remuneration has reduced by 5%.	
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company: The Company affirms that the remuneration paid to employees, who are covered under Remuneration Policy, is in accordance with the Remuneration Policy of the Company.	

For and on behalf of the Board
CHEVIOT COMPANY LIMITED

Harsh Vardhan Kanoria
 Chairman and Managing Director,
 Chief Executive Officer
 DIN : 00060259

Place : Kolkata
 Date : 27th May, 2019

ANNEXURE VI TO THE BOARD'S REPORT

Form No. MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
CHEVIOT COMPANY LIMITED
24, PARK STREET, "MAGMA HOUSE"
9th FLOOR, KOLKATA-700016, WEST BENGAL

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. CHEVIOT COMPANY LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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 authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 ("the audit period") 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 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;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 :-
 - (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, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 w.e.f 11th September, 2018 (To the extent applicable);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the audit period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the 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 (To the extent applicable);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the audit period);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 w.e.f 11th September, 2018(Not Applicable to the Company during the audit period);
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars issued by SEBI from time to time (To the extent applicable).

We further report that having regard to the compliance system prevailing in the Company and as per the representation made by the Management, the Company has complied with the following laws applicable specifically to the Company :

- (a) Jute & Jute Textiles Control Orders 2000 & 2016 (as applicable) issued under Essential Commodities Act, 1955;
- (b) Indian Boilers Act, 1923 and the rules made thereunder;
- (c) The Special Economic Zones Act, 2005 and the rules made thereunder.

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

- (i) Secretarial Standards as issued and mandated by the Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with BSE Limited.

ANNEXURE VI TO THE BOARD'S REPORT (Contd.)

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We 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 Board of directors during the period under review and the composition of Board of directors of the Company is in conformity with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board 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.

Decisions at the Board meetings were carried out unanimously.

We further report that 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.

We further report that during the audit period the Company had obtained consent of shareholders of the Company at the AGM held on 10th August, 2018 for the following matters :

- (i) re-appointment of Mr. Nawal Kishore Kejriwal, as whole time director of the Company, for further period of one year w.e.f 1st June, 2018,
- (ii) re-appointment of Mr. Navin Nayar, Mr. Padam Kumar Khaitan and Mr. Sushil Kumar Dhandhanian as an independent directors of the Company for a second term of 5 (five) consecutive years w.e.f 1st April, 2019 to 31st March, 2024.
- (v) keeping of register of members and other documents at the office of Registrar and Share Transfer Agent of the Company, instead of registered office of the Company.
- (vi) issue of fully paid up bonus ordinary shares by capitalisation of profits of the Company.

This Report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this Report.

For **MR & Associates**
Company Secretaries

[M R Goenka]
Partner

FCS No. : 4515

C P No. : 2551

Place : Kolkata

Date : 27th May, 2019

"ANNEXURE – A"

To,

The Members,

CHEVIOT COMPANY LIMITED

24, PARK STREET, "MAGMA HOUSE"

9th FLOOR, KOLKATA-700016, WEST BENGAL

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

1. Maintenance of secretarial records 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. Wherever 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 and standards is the responsibility of the 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 **MR & Associates**
Company Secretaries

[M R Goenka]
Partner

FCS No. : 4515

C P No. : 2551

Place : Kolkata

Date : 27th May, 2019

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CHEVIOT COMPANY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cheviot Company Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Key Audit Matters

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

The key audit matter	How our audit addressed the key audit matter
A. Valuation of Inventories. Refer to note 13 to the financial statements. As described in the accounting policies in note 3.1 to the financial statements, inventories are carried at the lower of cost and net realizable value. As a result, the management applies judgment in determining the appropriate provisions for obsolete stock based upon a detailed analysis of old inventory, net realizable value below cost based upon future plans for sale of inventory.	We obtained assurance over the appropriateness of the management's assumptions applied in calculating the value of the inventories and related provisions by:- 1. Completing a walkthrough of the inventory valuation process and assessed the design and implementation of the key controls addressing the risk. 2. Verifying the effectiveness of key inventory controls operating over inventories; including sample based physical verification. 3. Verifying for a sample of individual products that costs have been correctly recorded. 4. Comparing the net realizable value to the cost price of inventories to check for completeness of the associated provision.

INDEPENDENT AUDITORS' REPORT (Contd.)

The key audit matter	How our audit addressed the key audit matter
	5. Reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year. 6. Recomputing provisions recorded to verify that they are in line with the Company policy. Our Observation: Based on the audit procedures performed, we are satisfied that the valuation of inventory is appropriate.
B. Valuation and existence of Non-Current and Current Investments Valuation and existence of Non-Current and Current Investments designated at fair value through profit or loss are valued at ₹ 23,108.80 lakh and classified as level 1 financial instruments in the fair value hierarchy and investments carried at amortized cost are valued at ₹ 4,675.80 lakh and classified as level 2 financial instruments in the fair value hierarchy. The company also hold investments of ₹ 0.32 lakh which are carried at fair value through other comprehensive income (not to be recycled) and classified as level 3 financial instruments in the fair value hierarchy. The above investments represent 41.80% of total assets. Further disclosures on the Investments are included in note 8 and 14 to the financial statements. This was an area of focus for our audit and the area where significant audit effort was directed. As at March 31, 2019, the Investments are in mutual funds, debenture and bonds, preference shares and Alternate Investment Fund and are majorly actively traded with readily available, quoted market prices/net assets value.	Our audit procedures included updating our understanding of the business processes employed by the Company for accounting for, and valuing, their investment portfolio. We obtained accounts confirmation from the mutual funds and verified that the company was the recorded owner of all investments. Our audit procedures over the valuation of the Investments included agreeing the fair valuation of all Investments held at March 31, 2019 to the Net Assets Value provided by the respective Mutual funds, equity and preference shares. Our Observation: Based on the audit procedures performed, we are satisfied with valuation and existence of non-current and current investment.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

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

INDEPENDENT AUDITORS' REPORT *(Contd.)*

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITORS' REPORT (Contd.)

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at March 31, 2019 on its financial position in its financial statements - Refer Note 43.1 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Singhi & Co.,**
Chartered Accountants
Firm's Registration No. 302049E
Ankit Dhelia
Partner
Membership No. 069178

Place : Kolkata

Date : May 27, 2019

Annexure 'A' to the Independent Auditors Report

(Referred to in paragraph 8 with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to Statutory Audit of Cheviot Company Limited for the year ended March 31, 2019)

We report that:

- i. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As explained to us, fixed assets have been physically verified during the year by the management at reasonable intervals and no material discrepancies have been noticed on such physical verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company. However, the Company is in the process of registration of certain portion of land at Budge Budge in its name.
- ii. In respect of inventories, physical verification has been conducted at reasonable intervals during the year by the management and in our opinion the frequency of verification is reasonable. According to the information and explanation given to us, no material discrepancies were noticed on physical verification of inventories as compared to the book records. Inventories lying with outside parties have been confirmed by them at the year end.
- iii. The Company has not granted any loan to parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, clause 3 (iii) of the order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from public during the year. Accordingly, clause 3 (v) of the order is not applicable to the Company.
- vi. We have broadly reviewed the accounts and records maintained by the Company pursuant to the Order made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013. We are of the opinion, that prime-facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same.

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

(₹ in lakhs)

- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, the dues of goods and service tax, sales tax, income tax, duty of customs, duty of excise, service tax and value added tax which have not been deposited on account of any dispute and the forum where the dispute is pending as on March 31, 2019 are as under :-

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	36.24	F.Y. 2010-11	Appeal Level
		28.40	F.Y. 2015-16	Appeal Level
		8.15	F.Y. 2016-17	Appeal Level

- viii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks or financial institutions. There were no debentures outstanding at any time during the year.
- ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loan during the year.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3 (xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(xiv) of the order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3 (xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Singhi & Co.,**

Chartered Accountants

Firm's Registration No. 302049E

Ankit Dhelia

Partner

Membership No. 069178

Place : Kolkata

Date : May 27, 2019

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT *(Contd.)*

Annexure - 'B' to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Cheviot Company Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Singhi & Co.,**
Chartered Accountants
Firm's Registration No. 302049E
Ankit Dhelia
Partner
Membership No. 069178

Place : Kolkata
Date : May 27, 2019

BALANCE SHEET

as at 31st March, 2019

(₹ in Lakhs)

Particulars	Notes	As at 31st March 2019	As at 31st March 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	21,787.36	14,779.13
(b) Capital work-in-progress		1,440.14	62.67
(c) Investment property	6	22.25	22.70
(d) Other intangible assets	7	33.11	64.02
(e) Financial assets			
(i) Investments	8	19,225.87	21,445.70
(ii) Loans	9	22.53	36.71
(iii) Other financial assets	10	282.59	221.87
(f) Non-current tax assets (net)	11	16.86	1.05
(g) Other non-current assets	12	182.63	102.82
Total non-current assets		43,013.34	36,736.67
Current assets			
(a) Inventories	13	8,033.29	6,141.71
(b) Financial assets			
(i) Investments	14	8,559.05	5,057.20
(ii) Trade receivables	15	3,186.07	3,823.62
(iii) Cash and cash equivalents	16	893.46	903.37
(iv) Other bank balances other than Note - 16	17	838.78	194.43
(v) Other financial assets	18	190.39	190.99
(c) Other current assets	19	1,762.07	1,447.18
Total current assets		23,463.11	17,758.50
TOTAL ASSETS		66,476.45	54,495.17
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	20	647.04	431.48
(b) Other equity	21	60,538.88	49,607.72
Total equity		61,185.92	50,039.20
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	55.65	85.46
(ii) Other financial liabilities	23	89.79	21.78
(b) Provisions	24	65.08	-
(c) Deferred tax liabilities (net)	25	2,396.49	969.91
(d) Other non-current liabilities	26	107.21	140.80
Total non-current liabilities		2,714.22	1,217.95
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	27	-	458.93
(ii) Trade payables	28		
- Total outstanding dues of micro enterprises and small enterprises		1.14	1.21
- Total outstanding dues of creditors other than micro enterprises and small enterprises		516.83	559.94
(iii) Other financial liabilities	29	1,352.79	1,132.59
(b) Other current liabilities	30	228.97	390.15
(c) Provisions	31	400.04	492.04
(d) Current tax liabilities (net)	32	76.54	203.16
Total current liabilities		2,576.31	3,238.02
TOTAL EQUITY & LIABILITIES		66,476.45	54,495.17
Basis of accounting	2		
Significant accounting policies	3		
Significant judgement & key estimate	4		

The notes are integral part of the financial statements

As per our report attached

For **Singhi & Co.**

Chartered Accountants

Firm's Registration No. : 302049E

Ankit Dhelia

Partner

Membership No. 069178

Dated the 27th day of May, 2019

Madhup Kumar Patni
Chief Financial Officer**Aditya Banerjee**
Company Secretary**Harsh Vardhan Kanoria**
Nawal Kishore Kejriwal
Utkarsh Kanoria
Navin Nayar

For and on behalf of the Board

Chairman and Managing Director,
Chief Executive Officer

Wholtime Director

Director

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2019

(₹ in Lakhs)

	Notes	For the year ended 31st March 2019	For the year ended 31st March 2018
I Revenue from operations	33	39,455.96	37,611.67
II Other income	34	2,211.43	2,398.49
III Total income (I+II)		41,667.39	40,010.16
IV Expenses			
Cost of materials consumed	35	20,739.85	18,548.57
Changes in inventories of finished goods and work-in-progress	36	(1,050.55)	257.12
Employee benefits expense	37	6,944.50	6,753.80
Finance costs	38	72.21	89.04
Depreciation and amortisation expense	39	432.90	436.77
Other expenses	40	7,371.64	6,527.25
Total expenses (IV)		34,510.55	32,612.55
V Profit before exceptional items and tax (III-IV)		7,156.84	7,397.61
VI Add : Exceptional items		-	-
VII Profit before tax (V+VI)		7,156.84	7,397.61
VIII Tax expense	41		
a) Current tax		2,108.25	1,881.73
b) Deferred tax		41.03	103.61
c) Tax for earlier years (net)		(10.24)	4.66
IX Profit for the year (VII- VIII)		5,017.80	5,407.61
X Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
(i) Changes in revaluation surplus		7,343.66	-
(ii) Remeasurement of defined benefit plans		133.79	191.48
(iii) Equity instruments through other comprehensive income		135.74	99.90
(iv) Income tax relating to items that will not be reclassified to profit or loss		1,432.30	19.48
B. Items that will be reclassified to profit or loss			
(i) Debt instruments through other comprehensive income		-	6.88
(ii) Income tax relating to items that will be reclassified to profit or loss		-	0.79
XI Other comprehensive income for the year [(A(i+ii+iii-iv) +B(i-ii))]		6,180.89	277.99
XII Total comprehensive income for the year (IX+XI)		11,198.69	5,685.60
XIII Earnings per ordinary share (Face value of ₹ 10 /- each)			
Basic earnings per share (in ₹)		77.59	82.43
Diluted earnings per share (in ₹)		77.59	82.43
Basis of accounting	2		
Significant accounting policies	3		
Significant judgement & key estimate	4		

The notes are integral part of the financial statements

As per our report attached

For **Singhi & Co.**

Chartered Accountants

Firm's Registration No. : 302049E

Ankit Dhelia

Partner

Membership No. 069178

Dated the 27th day of May, 2019

Madhup Kumar Patni
Chief Financial Officer

Aditya Banerjee
Company Secretary

Harsh Vardhan Kanoria
Nawal Kishore Kejriwal
Utkarsh Kanoria
Navin Nayar

For and on behalf of the Board

*Chairman and Managing Director,
Chief Executive Officer*

Wholetime Director

Director

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2019

(₹ in Lakhs)

a) Equity share capital

Particulars	Amount
Balance as at 1st April 2017	451.48
Less: Changes in equity share capital during the year	20.00
Balance as at 31st March 2018	431.48
Add: Changes in equity share capital during the year [Refer Note 20(e)]	215.56
Balance as at 31st March 2019	647.04

b) Other equity

Particulars	Reserves & surplus						Items of other comprehensive income				Total
	Capital reserve	Securities premium	General reserve	Capital redemption reserve	Special economic zone re-investment reserve account	Retained earnings	Equity instrument through other comprehensive income	Debt instrument through other comprehensive income	Revaluation surplus	Remeasurement of defined benefit plans	
Balance as at 1st April, 2017	0.24	1,242.50	33,188.30	9.92	763.72	2,643.29	(0.83)	42.86	9,115.36	-	47,005.36
Profit for the year	-	-	-	-	-	5,407.61	-	-	-	-	5,407.61
Other comprehensive income (net of taxes) *	-	-	-	-	-	-	99.90	6.09	46.79	125.21	277.99
Total comprehensive income	-	-	-	-	-	5,407.61	99.90	6.09	46.79	125.21	5,685.60
Dividend paid	-	-	-	-	-	(45.11)	-	-	-	-	(45.11)
Dividend distribution tax	-	-	-	-	-	(9.18)	-	-	-	-	(9.18)
Transfer/utilisation on account of buyback of ordinary shares	-	(1,242.50)	(1,757.50)	20.00	-	-	-	-	-	-	(2,980.00)
Transfer to general reserve	-	-	4,500.00	-	-	(4,500.00)	-	-	-	-	-
Reclassification from other comprehensive income to retained earnings	-	-	-	-	-	63.93	(63.93)	-	-	-	-
Reclassified from other comprehensive income to statement of profit and loss	-	-	-	-	-	-	-	(48.95)	-	-	(48.95)
Transfer from other comprehensive income (remeasurement gain/loss net of tax) to retained earnings	-	-	-	-	-	125.21	-	-	-	(125.21)	-
Transfer from special economic zone re-investment reserve account	-	-	181.43	-	(181.43)	-	-	-	-	-	-
Balance as at 31st March, 2018	0.24	-	36,112.23	29.92	582.29	3,685.75	35.14	-	9,162.15	-	49,607.72

* Figures in revaluation surplus column represents impact of deferred tax.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2019 (Contd.)

(₹ in Lakhs)

Particulars	Reserves & surplus					Items of other comprehensive income				Total	
	Capital reserve	Securities premium	General reserve	Capital redemption reserve	Special economic zone re-investment reserve account	Retained earnings	Equity instrument through other comprehensive income	Debt instrument through other comprehensive income	Revaluation surplus		Remeasurement of defined benefit plans
Balance as at 31st March, 2018	0.24	-	36,112.23	29.92	582.29	3,685.75	35.14	-	9,162.15	-	49,607.72
Profit for the year	-	-	-	-	-	5,017.80	-	-	-	-	5,017.80
Other comprehensive income (net of taxes)	-	-	-	-	-	-	123.99	-	5,969.86	87.04	6,180.89
Total comprehensive income	-	-	-	-	-	5,017.80	123.99	-	5,969.86	87.04	11,198.69
Dividend paid	-	-	-	-	-	(43.11)	-	-	-	-	(43.11)
Dividend distribution tax	-	-	-	-	-	(8.86)	-	-	-	-	(8.86)
Utilisation on account of issue of bonus ordinary shares (Refer Note - 20(e))	-	-	(215.56)	-	-	-	-	-	-	-	(215.56)
Transfer to general reserve	-	-	3,800.00	-	-	(3,800.00)	-	-	-	-	-
Reclassification from other comprehensive income to retained earnings	-	-	-	-	-	159.13	(159.13)	-	-	-	-
Transfer from other comprehensive income (remeasurement gain/loss net of tax) to retained earnings	-	-	-	-	-	87.04	-	-	-	(87.04)	-
Transfer from special economic zone re-investment reserve account	-	-	281.64	-	(281.64)	-	-	-	-	-	-
Balance as at 31st March, 2019	0.24	-	39,978.31	29.92	300.65	5,097.75	-	-	15,132.01	-	60,538.88

The notes are integral part of the financial statements

As per our report attached

For **Singhi & Co.**

Chartered Accountants

Firm's Registration No. : 302049E

Ankit Dhelia

Partner

Membership No. 069178

Dated the 27th day of May, 2019

For and on behalf of the Board

Harsh Vardhan Kanoria

Nawal Kishore Kejriwal

Utkarsh Kanoria

Navin Nayar

Chairman and Managing Director,

Chief Executive Officer

Wholetime Director

Director

Madhup Kumar Patni

Chief Financial Officer

Aditya Banerjee

Company Secretary

STATEMENT OF CASH FLOW

for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax as per statement of profit and loss	7,156.84	7,397.61
Adjustments for:		
Depreciation and amortisation expense	432.90	436.77
Unrealised foreign exchange (gain)/loss	13.39	(23.29)
Income from deferred revenue grant	(29.32)	(27.64)
Net gain on sale of investments measured at FVTPL	(180.90)	(321.40)
Net gain on fair value changes of investments measured at FVTPL	(999.65)	(507.64)
Net gain on OCI items reclassified to statement of profit and loss	-	(48.95)
Profit on sale of property, plant and equipment (net)	(16.55)	(9.76)
Interest income	(558.95)	(487.77)
Dividend income	(394.64)	(831.19)
Rental income	(3.00)	(6.00)
Property, plant and equipment and other intangible assets written off	-	16.23
Impairment of investments	204.00	-
Bad debt written off	31.21	-
Finance costs	72.21	89.04
Liabilities written back	(3.44)	(5.64)
	(1,432.74)	(1,727.24)
Operating profit before working capital changes	5,724.10	5,670.37
Adjustments for :		
(Increase)/decrease in inventories	(1,891.58)	(137.14)
(Increase)/decrease in trade receivables	583.76	(727.67)
(Increase)/decrease in other financial assets	26.72	83.27
(Increase)/decrease in other assets	(240.95)	205.30
Increase/(decrease) in trade payables	(38.16)	37.19
Increase/(decrease) in other financial liabilities	261.17	377.18
Increase/(decrease) in provisions	(26.92)	0.29
Increase/(decrease) in other liabilities	(165.45)	101.76
	(1,494.41)	(59.82)
Cash generated from operations	4,232.69	5,610.55
Direct taxes paid	(2,275.15)	(1,760.83)
Net cash from operating activities	1,957.54	3,849.72
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and other intangible assets (including changes in capital work-in-progress, capital advances/ creditors)	(1,433.66)	(351.36)
Capital subsidy received	2.11	-
Sale of property, plant and equipment	20.64	15.95
Purchase of investments	(16,510.77)	(16,021.86)
Sale of investments	16,340.43	15,047.12
Investment in fixed deposits with a maturity more than 90 days	(720.07)	(16.59)
Rent received	2.70	5.40
Interest received	553.02	482.98
Dividend received	391.41	829.78
Net cash (used in) investing activities	(1,354.19)	(8.58)

STATEMENT OF CASH FLOW

for the year ended 31st March, 2019 (Contd.)

(in ₹ Lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
C. CASH FLOW FROM FINANCING ACTIVITIES		
Payment for buyback of ordinary shares	-	(3,000.00)
Proceeds from non-current borrowings	-	120.00
Repayment of non-current borrowings	(29.81)	(22.32)
Payment of finance lease obligations	-	(0.30)
Repayment of current borrowings (net)	(458.93)	(870.69)
Dividend paid	(43.11)	(45.11)
Dividend distribution tax paid	(8.86)	(9.18)
Interest and other finance charges paid	(80.59)	(84.90)
Net cash (used in) financing activities	(621.30)	(3,912.50)
Net (decrease) in cash and cash equivalents (A+B+C)	(17.95)	(71.36)
Cash and cash equivalents (opening balance)	903.37	966.76
Effect of exchange rate changes on cash and cash equivalents	7.60	7.97
Cash and cash equivalents (closing balance)	893.02	903.37
Notes :		
1. Cash and cash equivalents (Refer Note - 16) included in the cash flow statement comprise the following balance sheet amounts:		
Cash on hand	3.11	3.99
Cheques on hand	0.71	-
Balances with banks		
- in current accounts	874.02	899.38
- in cash credit accounts	15.62	-
Cash and cash equivalents (closing balance)	893.46	903.37
Less: Restricted balance on account of fractional bonus shares lying in current account	0.44	-
	893.02	903.37

2. The above cash flow statement has been prepared under 'Indirect Method' as set out in Ind AS - 7, "Statement of Cash Flows".

3. Statement of reconciliation of financing activities :

Particulars	Borrowings (Non-current) (including current maturities)	Borrowings (Current)
Balance as at 1st April, 2017 (including interest accrued thereon)	17.59	1,329.62
Cash flow (net)	97.68	(870.69)
Non-cash changes		
- Fair value changes	-	-
Interest expense	9.00	54.45
Interest paid	(8.67)	(54.45)
Balance as at 31st March, 2018 (including interest accrued thereon)	115.60	458.93
Cash flow (net)	(29.81)	(458.93)
Non-cash changes		
- Fair value changes	-	-
Interest expense	10.10	41.22
Interest paid	(10.23)	(41.22)
Balance as at 31st March, 2019 (including interest accrued thereon)	85.66	-

4. Previous year's figures have been reclassified/regrouped to conform the current year's presentation.

The notes are integral part of the financial statements

As per our report attached
For **Singhi & Co.**
Chartered Accountants
Firm's Registration No. : 302049E
Ankit Dhelia
Partner
Membership No. 069178
Dated the 27th day of May, 2019

Madhup Kumar Patni
Chief Financial Officer

Aditya Banerjee
Company Secretary

Harsh Vardhan Kanoria
Nawal Kishore Kejriwal
Utkarsh Kanoria
Navin Nayar

For and on behalf of the Board

Chairman and Managing Director,
Chief Executive Officer
Wholtime Director
Director

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

1. CORPORATE AND GENERAL INFORMATION

Cheviot Company Limited (the "Company") is a listed Public Limited Company incorporated in India. The Company has its registered office at 24, Park Street, Magma House, 9th Floor, Kolkata-700016.

The Company manufactures jute products with flexibility to cater to both domestic and international market. The Company is renowned for manufacturing superior quality Hessian fabrics and jute shopping bags for export market at the Export Oriented Unit situated at Falta Special Economic Zone in the state of West Bengal, India.

2. BASIS OF ACCOUNTING

2.1. Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements of the Company for the year ended 31st March, 2019 have been approved and authorised for issue by the Board of Directors in their meeting held on 27th May, 2019.

2.2. Basis of Measurement

The financial statements have been prepared on historical cost convention, except for following:

- Financial assets and liabilities (including derivative instruments) that are measured at fair value/ amortised cost;
- Freehold land on revaluation model;
- Non-current assets held for sale are measured at the lower of the carrying amounts and fair value less cost to sell;
- Defined benefit plans are measured at fair value.

2.3. Functional and Presentation Currency

The financial statements have been presented in Indian Rupees (₹), which is also the Company's functional currency. All financial information presented in (₹) has been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

2.4. Use of Estimates and Judgements

The preparation of financial statements require judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognised in the period prospectively in which the results are known/ materialised.

2.5. Current Vs Non-Current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities respectively.

2.6. Adoption of new accounting standards

The Company has applied the following accounting standards and its amendments for the first time for annual reporting period commencing 1st April, 2018:

- Ind AS 115 - Revenue from Contracts with Customers
- Amendment to Ind AS 12 - Income Taxes
- Amendment to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
- Amendment to Ind AS 28 - Investment in Associates and Joint Ventures
- Amendment to Ind AS 112 - Disclosure of Interests in Other Entities
- Amendment to Ind AS 40 – Investment property
- Amendment to Ind AS 20 – Accounting for Government Grant and Disclosure of Government assistance

The company had to change its accounting policies following the adoption of Ind AS – 115. Most of the above amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current and future periods.

3. SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements are given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

3.1. Inventories

- Raw materials, stores and spares and loose tools are valued at lower of cost and net realisable value. However, items held for use in the production of inventories are not written down below cost, if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes cost of purchase, non-refundable taxes and other costs incurred in bringing the inventories to their present location and condition. Cost is computed on weighted average basis.
- Work-in-progress and finished goods are valued at lower of cost and net realisable value. Finished goods and work-in-progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is computed on weighted average basis.
- Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated cost necessary to make the sale. Net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods.
- Adequate provision is made for obsolete and slow-moving stocks, wherever necessary.

3.2. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

3.3. Income Tax

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

a) Current Tax

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities based on tax rates and tax laws that have been enacted during the period.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

b) Deferred Tax

- Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognised for carry forward of unused tax losses and unused tax credits.
- Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- Deferred tax relating to items recognised outside the statement of profit and loss is recognised either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

c) Minimum Alternate Tax (MAT)

Minimum alternate tax is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the affect that the company will pay normal income tax during the specified period.

3.4. Property, Plant and Equipment

a) Recognition and Measurement:

- Property, plant and equipment, except freehold land, held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation/amortisation and accumulated impairment losses (if any).
- Freehold land has been stated at revalued amount. The difference between carrying amount of such land and fair value less any impairment loss is shown as revaluation surplus net of deferred tax under the head other equity. The changes in fair value of land is recognised in other comprehensive income net of deferred tax and accumulated in other equity under the head revaluation surplus. The revaluation surplus shall be transferred to retained earnings when the asset is derecognised.
- Cost of an item of property, plant and equipment acquired comprises its purchase price, including non-refundable import duties and taxes, after deducting any trade discounts and rebates, borrowing cost, if capitalisation criteria is met and any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
- In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognised in the statement of profit and loss.

b) Subsequent Expenditure

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.
- Major inspection/ repairs/ overhauling expenses are recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any unamortised part of the previously recognised expenses of similar nature is derecognised.

c) Depreciation and Amortisation

- Depreciation on property, plant and equipment is provided on straight line method at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of the Act.
- Each part of items of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Certain components of property, plant and equipment as identified by the Company have been depreciated at their respective useful lives ranging between 4 and 10 years.
- Leasehold land is amortised on a straight line basis over the period of lease.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate.

d) Disposal of Assets

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

e) Reclassification to Investment Property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

f) Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production. Advances given towards acquisition or construction of property, plant and equipment outstanding at each reporting date are disclosed as Capital Advances under "Other Non-Current Assets".

3.5. Leases

a) Determining whether an arrangement contains a lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, (or contains), a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

b) Company as lessor

• Finance Lease

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognised as revenue in the period in which they are earned.

• Operating Lease

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Company with expected inflationary costs.

c) Company as Lessee

• Finance Lease

Finance leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease Payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly to the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

• Operating Lease

Assets acquired on leases where a significant portion of risk and reward is retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on a straight-line basis over the lease term, except where scheduled increase in rent compensates the lessor with expected inflationary costs.

3.6. Revenue Recognition

a) Sale of Goods

Ind AS 115 "Revenue from Contracts with Customers", that replaces Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts" and related interpretations, introduce one single new model for recognition of revenue which includes a 5-step approach and detailed guidelines. Among other, such guidelines are on allocation of revenue to performance obligations within multi-element arrangements, measurement and recognition of variable consideration and the timing of revenue recognition.

The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the entity expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting incentive programs, included but not limited to discounts, volume rebates etc.

Revenue from the sale of jute products is measured based on the consideration specified in a contract with a customer and excludes any taxes and duties collected on behalf of the government. Company recognises revenue at a point in time, when control is transferred to the customer, and the consideration agreed is expected to be received. Control is generally deemed to be transferred upon delivery of the components in accordance with the agreed delivery plan.

The company does not expect to have any contracts where the period between transfer of promised goods or services to the customer and payment by customer exceeds one year. As a consequence, the company does not adjust any of the transaction prices for the time value of money.

b) Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income (FVTOCI), interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

c) Dividend Income

Dividend income from investments is recognised when the Company's right to receive payment has been established.

d) Other Operating Revenue

Export incentives and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the incentive will be received.

3.7. Employee Benefits

a) Short Term Employee Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period.

b) Other Long Term Employee Benefits

The liabilities for earned leaves that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the rate of government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Remeasurements as the result of experience adjustment and changes in actuarial assumptions are recognised in the statement of profit and loss.

c) Post Employment Benefits

The Company operates the following post employment schemes:

- **Defined Benefit Plans**

The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognised for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the rate of government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognised in other comprehensive income. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

- **Defined Contribution Plan**

Defined contributions to Provident Fund, Pension Scheme and Employees' State Insurance Scheme are defined contribution schemes and are charged to the statement of profit and loss of the year. The Company makes specified monthly contributions towards employees provident fund to a trust administered by the Company as well as to provident fund plan operated by the Regional Provident Fund Commissioner. The minimum rate of interest which is payable every year by the trust to the beneficiaries is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

d) Termination Benefit

Expenditure incurred on Voluntary Retirement Scheme is charged to the statement of profit & loss immediately.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

3.8. Government Grants

Government grants are recognised at their fair values when there is reasonable assurance that the grants will be received and the Company will comply with all the attached conditions. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed or netted off with related expenses. Grants related to purchase of property, plant and equipment are included in non-current liabilities as deferred revenue and are credited to profit or loss on a straight line basis over the expected useful life of the related asset and presented within other operating revenue.

3.9. Foreign Currency Transactions

- Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognised in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the statement of profit and loss within finance costs.
- Non-monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

3.10. Borrowing Cost

- Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.
- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalised as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale. The Company considers a period of twelve months or more as a substantial period of time.
- Transaction costs in respect of long term borrowing are amortised over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

3.11. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial Assets

- **Recognition and Initial Measurement:**

All financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

- **Classification and Subsequent Measurement:**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Measured at amortised cost;
- Measured at fair value through other comprehensive income (FVTOCI);
- Measured at fair value through profit or loss (FVTPL); and
- Equity Instruments measured at fair value through other comprehensive income (FVTOCI).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

➤ Measured at amortised cost:

A financial asset is measured at the amortised cost if both the following conditions are met:

- ❑ The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
- ❑ The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

➤ Measured at FVTOCI:

A financial asset is measured at the FVTOCI if both the following conditions are met:

- ❑ The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
- ❑ The asset's contractual cash flows represent SPPI.

Financial assets meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognised in the statement of profit and loss in interest income. Where the asset is disposed of, the cumulative gain or loss previously accumulated in other comprehensive income reserve is transferred in the statement of profit and loss.

➤ Measured at FVTPL:

FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a financial asset, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. Financial Asset included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Interest / dividend income on financial instruments measured at FVTPL are presented separately under other income.

➤ Equity Instruments measured at FVTOCI:

All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no reclassification of the amounts from OCI to the statement of profit and loss, even on sale of investment.

- **Derecognition**

The Company derecognises a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

- **Impairment of Financial Assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

b) Financial Liabilities

- **Recognition and Initial Measurement:**

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, as loans and borrowings, as payables or as derivatives, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- **Subsequent Measurement:**

Financial liabilities are measured subsequently at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

- **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

- **Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

c) Derivative Financial Instruments:

The Company enters into derivative financial instruments viz. foreign exchange forward contracts, interest rate swaps and cross currency swaps to manage its exposure to interest rate and foreign exchange rate risks. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit or loss immediately.

3.12. Impairment of Non-Financial Assets

- The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).
- An impairment loss is recognised as an expense in the statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognised in earlier accounting period is reversed if there has been an improvement in recoverable amount.

3.13. Provisions, Contingent Liabilities and Contingent Assets

a) Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

Onerous Contracts:

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

b) Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognised because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in other notes to financial statements.

c) Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent assets are not recognised though are disclosed, where an inflow of economic benefits is probable.

3.14. Intangible Assets

a) Recognition and Measurement

Intangible assets comprise of computer software, expected to provide future enduring economic benefits are stated at cost less accumulated amortisation and impairment, if any. Cost comprises purchase price, non-refundable taxes, duties, and incidental expenses after deducting trade discounts and rebates related to the acquisition and installation of the assets.

b) Subsequent Expenditure

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. All other expenditure is recognised in the statement of profit and loss.

c) Amortisation

- Intangible assets are amortised over a period of five years under straight line method.
- The amortisation period and the amortisation method are reviewed at least at the end of each financial year. If the expected useful life of the assets is significantly different from previous estimates, the amortisation period is changed accordingly.

d) Intangible Assets under Development

Intangible assets under development is stated at cost which includes expenses incurred in connection with development of Intangible assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

3.15. Investment properties

- Investment property is property (comprising land or building or both) held to earn rental income or for capital appreciation or both, but not for sale in ordinary course of business, used in the production or supply of goods or services or for administrative purposes.
- Upon initial recognition, an investment property is measured at cost. Subsequently they are stated in the balance sheet at cost, less accumulated depreciation/amortisation and accumulated impairment losses, if any.
- Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the statement of profit and loss.
- The depreciable investment property i.e., buildings, are depreciated on a straight line method at a rate determined based on the useful life as provided under Schedule II of the Act.
- Leasehold land is amortised on a straight line basis over the period of lease.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

- Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from the use and no future economic benefit is expected from their disposal. The net difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

3.16. Non-current assets (or disposal groups) held for sale and discontinued operations

- Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of the carrying amount and the fair value less cost to sell.
- An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.
- Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Non-current assets (or disposal group) classified as held for sale are presented separately in the balance sheet. Any profit or loss arising from the sale or remeasurement of discontinued operations is presented as part of a single line item in statement of profit and loss.

3.17. Earnings Per Share:

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the period are adjusted for the effects of all dilutive potential ordinary shares.

3.18. Cash dividend distribution to equity holders

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

3.19. Measurement of Fair Values

A number of the accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

- Level 3 – Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets and liabilities. Involvement of external valuers is decided by the management of the Company considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

3.20. New Standards / Amendments to Existing Standard issued but not yet effective upto the date of issuance of the Company's Financial Statement are disclosed below.

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from 1st April, 2019. The Company will adopt new standard and amendment to existing standards with effect from 1st April, 2019.

- **Ind AS 116: Leases** – Ind AS 116 will supersede the existing Ind AS 17. The new standard provides a comprehensive model to identify lease-arrangements and the treatment thereof in the financial statements of both the lessee and lessor. The new standard requires entities to make more judgments and estimates (e.g., determining when a customer has the right to direct the use of an identified asset, estimating the incremental rate of borrowing) and make more disclosures (e.g., discount rate, weighted average lease term, other qualitative and quantitative information).

Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Ind AS 17 required classifying leases as finance lease and operating lease, the same is not required under Ind AS 116. Under Ind AS 116, a lessee measures right-of-use assets similar to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities.

On initial application the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization change for the right-to-use asset, and b) interest accrued on lease liability.

Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116 without adjusting the Comparatives.

The Company is currently evaluating the impact this standard will have on its financial statement.

- **Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)** - The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

- **Amendment to Ind AS 19 – plan amendment, curtailment or settlement-** Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', On 30th March, 2019, in connection with accounting for plan amendments, curtailments and settlements. The Company does not have any impact on account of this amendment.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

- **Ind AS 23 – Borrowing Costs** - The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any significant impact from this amendment.
- **Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements**
The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. This amendment is currently not applicable to the Company.
- **Ind AS 109 – Prepayment Features with Negative Compensation**
The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

4. Significant Judgements and Key sources of Estimation in applying Accounting Policies

Information about significant judgements and key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- a) **Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- b) **Useful lives of depreciable/ amortisable assets (property, plant and equipment and intangible assets):** Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- c) **Classification of Leases:** The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.
- d) **Defined Benefit Obligation (DBO):** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- e) **Provisions and Contingencies:** The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.
- f) **Impairment of Financial Assets:** The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- g) **Allowances for Doubtful Debts:** The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.
- h) **Fair value measurement of financial Instruments:** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The input to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

5. PROPERTY, PLANT AND EQUIPMENT

Particulars	Land		Buildings	Plant and machinery	Electrical installations and equipments	Furniture and fixtures	Vehicles	Office equipments	Total
	Freehold	Leasehold							
Cost									
As at 1st April, 2017	9,647.26	15.60	7,898.06	12,171.09	1,418.81	348.28	164.39	272.21	31,935.70
Additions	–	–	–	245.80	38.54	–	13.67	21.27	319.28
Disposals	–	–	1.81	54.22	10.60	0.82	29.84	23.43	120.72
As at 31st March, 2018	9,647.26	15.60	7,896.25	12,362.67	1,446.75	347.46	148.22	270.05	32,134.26
Additions / Revaluation	7,343.66	–	–	23.67	10.62	2.14	30.16	1.97	7,412.22
Disposals	–	–	–	94.71	0.13	–	14.99	0.31	110.14
As at 31st March, 2019	16,990.92	15.60	7,896.25	12,291.63	1,457.24	349.60	163.39	271.71	39,436.34
Accumulated depreciation/ amortisation									
As at 1st April, 2017	–	2.37	4,741.02	10,426.97	1,293.30	311.62	93.50	217.57	17,086.35
Charge for the year	–	0.16	102.99	233.49	13.37	6.36	11.33	12.69	380.39
Disposals	–	–	1.55	51.25	10.21	0.82	24.98	22.80	111.61
As at 31st March, 2018	–	2.53	4,842.46	10,609.21	1,296.46	317.16	79.85	207.46	17,355.13
Charge for the year	–	0.16	102.98	249.60	14.83	4.72	13.02	14.59	399.90
Disposals	–	–	–	93.81	0.11	–	11.84	0.29	106.05
As at 31st March, 2019	–	2.69	4,945.44	10,765.00	1,311.18	321.88	81.03	221.76	17,648.98
Net Block									
As at 31st March, 2018	9,647.26	13.07	3,053.79	1,753.46	150.29	30.30	68.37	62.59	14,779.13
As at 31st March, 2019	16,990.92	12.91	2,950.81	1,526.63	146.06	27.72	82.36	49.95	21,787.36

Notes :

- 1) Refer Note - 22 & 27 for information on property, plant and equipment pledged as security by the Company.
- 2) Refer Note - 43.2 for disclosure on contractual commitment for acquisition of property, plant and equipment.
- 3) Refer Note - 50.2 for disclosure of future minimum lease payments and their present value in respect of property, plant and equipment taken under finance lease.
- 4) Based on the valuation report by a Chartered Engineer, an external valuer, freehold land having original cost of ₹ 3.11 was revalued in the years ended 31st March, 1997, 31st March, 2003, 31st March, 2008, 31st March, 2016 and the resultant increase was ₹ 1,548.11, ₹ 1,630.64, ₹ 3,075.24 and ₹ 3,390.16 respectively. Freehold land has further been revalued at ₹ 16,990.92 on 31st March, 2019, resulting in increase in the net book value of the said asset by ₹ 7,343.66 with a corresponding credit to the revaluation surplus.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

6. INVESTMENT PROPERTY

Particulars	Leasehold land	Building	Total
Cost			
As at 1st April, 2017	5.76	17.83	23.59
Additions	-	-	-
As at 31st March, 2018	5.76	17.83	23.59
Additions	-	-	-
As at 31st March, 2019	5.76	17.83	23.59
Accumulated amortisation/depreciation			
As at 1st April, 2017	0.09	0.36	0.45
Charge for the year	0.09	0.35	0.44
As at 31st March, 2018	0.18	0.71	0.89
Charge for the year	0.09	0.36	0.45
As at 31st March, 2019	0.27	1.07	1.34
Net Block			
As at 31st March, 2018	5.58	17.12	22.70
As at 31st March, 2019	5.49	16.76	22.25

Notes :

(i) Contractual obligations

There are no contractual obligation to purchase, construct or develop investment property or for its repair, maintenance or enhancement.

(ii) Amount recognised in profit and loss for investment properties

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Rental income	3.00	6.00
Less: Direct operating expenses that generate rental income	0.11	0.10
Less: Direct operating expenses that did not generate rental income	-	-
Profit from leasing of investment properties before depreciation	2.89	5.90
Less: Amortisation/depreciation	0.45	0.44
Profit from leasing of investment properties	2.44	5.46

(iii) Fair value of investment properties

Particulars	As at 31st March 2019	As at 31st March 2018
Land	348.75	324.00
Building	103.56	93.00
	452.31	417.00

The above fair value has been arrived on the basis of valuation performed by an external independent valuer having appropriate professional qualification and recent experience in the valuation of properties in relevant location.

(iv) Estimation of fair value

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company considers information from a variety of sources including current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

7. OTHER INTANGIBLE ASSETS

Particulars	Computer Software
Cost	
As at 1st April, 2017	128.04
Additions	20.99
Disposals	34.24
As at 31st March, 2018	114.79
Additions	1.64
Disposals	-
As at 31st March, 2019	116.43
Accumulated amortisation	
As at 1st April, 2017	15.76
Charge for the year	55.94
Disposals	20.93
As at 31st March, 2018	50.77
Charge for the year	32.55
Disposals	-
As at 31st March, 2019	83.32
Net Block	
As at 31st March, 2018	64.02
As at 31st March, 2019	33.11

Refer Note - 43.2 for disclosure on contractual commitment for acquisition of other intangible assets.

8. INVESTMENTS (NON-CURRENT)

Particulars	Face Value per share/unit	As at 31st March 2019		As at 31st March 2018	
		Shares/Units	Amount	Shares/Units	Amount
<i>(fully paid up unless otherwise stated)</i>					
A. INVESTMENTS AT AMORTISED COST					
Investments in Debentures or Bonds (Quoted)					
Housing and Urban Development Corporation Limited					
7.83% Tax Free Bonds, Series B (Option II), 11-NOV-2026	1,00,000	200	200.00	200	200.00
8.51% Tax Free Bonds, Tranche-I, Series 2A, 25-OCT-2028	1,000	20,000	200.00	20,000	200.00
India Infrastructure Finance Company Limited					
8.66% Tax Free Bonds, Tranche II, Series 3A, 22-JAN-2034	1,000	50,000	500.00	50,000	500.00
8.55% Tax Free Bonds, Tranche III, Series 3A, 27-MAR-2034	1,000	30,000	300.00	30,000	300.00
Indian Railway Finance Corporation Limited					
6.70% Tax Free Bonds, Series 68 B, 08-MAR-2020	1,00,000	-	- *	300	300.89
6.72% Tax Free Bonds, Series 73 B, 20-DEC-2020	1,00,000	200	200.00	200	200.00
Indian Renewable Energy Development Agency Limited					
8.55% Tax Free Bonds, Tranche I, Series IIIA, 13-MAR-2034	1,000	40,000	400.00	40,000	400.00
Carried Over...			1,800.00		2,100.89

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	Face Value per share/unit	As at 31st March 2019		As at 31st March 2018	
		Shares/Units	Amount	Shares/Units	Amount
Brought Forward ...			1,800.00		2,100.89
National Highway Authority of India					
7.28% Tax Free Bonds, Series - II B, 18-SEP-2030	10,00,000	20	200.11	20	200.17
8.30% Tax Free Bonds, Tranche I, Series 2 (II), 25-JAN-2027	1,000	4,945	49.45	4,945	49.45
8.50% Tax Free Bonds, Tranche I, Series IIA, 05-FEB-2029	1,000	40,000	400.00	40,000	400.00
National Housing Bank					
8.76% Tax Free Bonds, Tranche I, Series 3A, 13-JAN-2034	5,000	6,166	314.21	6,166	314.41
8.65% Tax Free Bonds, Tranche II, Series 3A, 24-MAR-2034	5,000	6,384	319.20	6,384	319.20
National Thermal Power Corporation Limited					
8.66% Tax Free Bonds, Series 3A, 16-DEC-2033	1,000	31,665	316.65	31,665	316.65
7.37% Tax Free Bonds, Series 3A, 05-OCT-2035	1,000	4,997	49.97	4,997	49.97
Power Finance Corporation Limited					
8.16% Tax Free Bonds, Series 80 B, 25-NOV-2026	1,00,000	400	400.00	400	400.00
7.35% Tax Free Bonds, Series 3A, 17-OCT-2035	1,000	2,567	25.67	2,567	25.67
Rural Electrification Corporation Limited					
8.46% Tax Free Bonds, Tranche I, Series 2A, 24-SEP-2028	1,000	50,000	500.00	50,000	500.00
Subtotal			4,375.26		4,676.41
Investment in Preference Share (Quoted)					
Infrastructure Leasing & Financial Services Limited					
16.46% Non-Convertible Redeemable Cumulative Preference Shares	7500	1,360	204.00	1,360	204.00
Less: Impairment in value of investments			(204.00)	-	-
Subtotal			-		204.00
Subtotal (A)			4,375.26		4,880.41
B. INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME					
Investments in Equity Instruments (Quoted)					
Infosys Limited	5	-	-	4,786	54.17
Petronet LNG Limited	10	-	-	92,000	212.47
Reliance Industries Limited	10	-	-	25,000	220.68
Subtotal			-		487.32
Investments in Equity Instruments (Unquoted)					
Cheviot International Limited	10	20	- ^	20	- ^
Woodlands Multispeciality Hospital Limited	10	3,190	0.32	3,190	0.32
Subtotal			0.32		0.32
Subtotal (B)			0.32		487.64

^ amount below ₹ 500

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	Face Value per share/unit	As at 31st March 2019		As at 31st March 2018	
		Shares/Units	Amount	Shares/Units	Amount
C. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS					
Investment in Preference Share (Quoted)					
Zee Entertainment Enterprises Limited					
6.00% Non-Convertible Bonus Preference Shares	4**	20,00,000	73.47 *	80,00,000	452.40
(** 20% of the original face value is redeemable at par every year starting from 05/03/2018 which is shown under Current Investments).					
Subtotal			73.47		452.40
Investments in Mutual Funds (Quoted)					
Aditya Birla Sun Life Mutual Fund					
Aditya Birla Sun Life Fixed Term Plan - Series - PG (1148 days)-Direct-Growth	10	50,00,000.000	542.79	50,00,000.000	505.34
DHFL Pramerica Mutual Fund					
DHFL Pramerica Fixed Duration Fund - Series AZ- Direct-Growth	10	50,00,000.000	486.43	-	-
DSP BlackRock Mutual Fund					
DSP BlackRock FMP - Series 196 - 37M - Direct - Growth	10	-	- *	50,00,000.000	589.29
HDFC Mutual Fund					
HDFC FMP 1167D January 2016 (1) Series 35 Direct Growth	10	-	- *	50,00,000.000	596.76
HDFC FMP 1114D March 2016 (1) Series 35 - Direct - Growth	10	-	- *	50,00,000.000	588.78
HDFC FMP 1309D September 2016 (1) Series 37 - Regular Growth	10	50,00,000.000	608.10	50,00,000.000	569.92
HDFC FMP 3360D March 2014 (1) Series 30 Regular Growth	10	84,00,000.000	1,184.05	84,00,000.000	1,095.23
ICICI Prudential Mutual Fund					
ICICI Prudential FMP Series 82 - 1136 Days - Plan P - Cumulative	10	50,00,000.000	535.01	50,00,000.000	501.22
IDFC Mutual Fund					
IDFC Fixed Term Plan Series 131 Direct - Growth	10	70,00,000.000	805.37	70,00,000.000	749.55
IDFC Fixed Term Plan Series 152 Direct - Growth	10	50,00,000.000	539.63	-	-
Kotak Mahindra Mutual Fund					
Kotak FMP Series 181 Direct - Growth	10	-	- *	30,00,000.000	361.91
Kotak FMP Series 202 Direct - Growth	10	50,00,000.000	575.40	50,00,000.000	534.74
Kotak FMP Series 221 Direct - Growth	10	50,00,000.000	539.88	50,00,000.000	501.77
Kotak FMP Series 232 Direct - Growth	10	50,00,000.000	531.01	-	-
L&T Mutual Fund					
L&T FMP Series XIV Scheme A (1233D) - Growth	10	30,00,000.000	352.30	30,00,000.000	328.83
Reliance Mutual Fund					
Reliance Fixed Horizon Fund - XXXII - Series 4 - Direct Growth	10	30,00,000.000	362.67	30,00,000.000	337.94
Reliance Fixed Horizon Fund - XXXIII - Series 3-Direct Growth	10	40,00,000.000	463.47	40,00,000.000	430.35
Reliance Fixed Horizon Fund - XXXIV - Series 2-Direct Growth	10	16,50,000.000	188.11	16,50,000.000	174.65
Reliance Fixed Horizon Fund - XXXVI - Series 6 - Direct Growth	10	50,00,000.000	543.07	50,00,000.000	505.29
Carried Over...			8,257.29		8,371.57

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	Face Value per share/unit	As at 31st March 2019		As at 31st March 2018	
		Shares/Units	Amount	Shares/Units	Amount
Brought Forward ...			8,257.29		8,371.57
UTI Mutual Fund					
UTI Fixed Term Income Fund Series XXIX - IX (1109 Days) - Direct Growth Plan	10	50,00,000.000	525.16	-	-
UTI Fixed Term Income Fund Series XXX - VIII (1286 Days) - Direct Growth Plan	10	50,00,000.000	534.16	-	-
Subtotal			9,316.61		8,371.57
Investments in Mutual Funds (Unquoted)					
Aditya Birla Sun Life Mutual Fund					
Aditya Birla Sun Life Frontline Equity Fund - Direct - Dividend Payout	10	17,96,672.614	962.84	17,96,672.614	880.73
HDFC Mutual Fund					
HDFC Equity Fund - Direct - Dividend Payout	10	18,27,458.694	1,010.40	18,27,458.694	964.93
HDFC Medium Term Opportunities Fund- Direct - Growth	10	-	-	26,32,077.657	510.83
HDFC Mid-Cap Opportunities Fund - Direct -Dividend Payout	10	7,13,754.868	250.64	7,13,754.868	265.69
ICICI Prudential Mutual Fund					
ICICI Prudential Value Discovery Fund -Direct - Dividend Payout	10	11,01,125.314	532.61	11,01,125.314	541.09
ICICI Prudential Dynamic - Direct - Dividend Payout	10	-	-	21,45,850.672	576.05
Indiabulls Mutual Fund					
Indiabulls Blue Chip Fund - Existing Plan - Dividend Payout	10	-	-	67,47,638.333	744.94
Mirae Asset Mutual Fund					
Mirae Asset India Equity Fund - Direct- Dividend Payout	10	5,48,681.792	198.00	-	-
Reliance Mutual Fund					
Reliance Multicap Fund - Direct - Dividend Payout	10	13,26,356.000	490.87	26,52,712.993	944.73
SBI Mutual Fund					
SBI Magnum Multicap Fund- Direct- Dividend Payout	10	21,97,135.814	564.14	-	-
Subtotal			4,009.50		5,428.99
Investments in Alternative Investment Fund (Unquoted)					
DSP BlackRock Alternate Investment Fund					
DSP BlackRock India Enhanced Equity Fund	100	-	-	5,00,000.000	521.35
Edelweiss Alternate Investment Fund					
Edelweiss Alpha Fund	1000	-	-	20,000.000	209.68
IIFL Asset Management #					
IIFL Special Opportunities Fund	10	18,60,518.129	215.02	14,24,354.969	163.07
IIFL Special Opportunities Fund Series 5	10	20,59,061.861	198.98	10,29,892.913	101.07
IIFL Special Opportunities Fund Series 7	10	6,01,994.509	61.42	-	-
IIFL India Housing Fund	10	24,94,761.002	259.77	24,94,761.002	250.12
IIFL Re-organize India Equity Fund	10	22,08,288.552	174.07	9,94,917.200	87.81
Carried Over...			909.26		1,333.10

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	Face Value per share/unit	As at 31st March 2019		As at 31st March 2018	
		Shares/Units	Amount	Shares/Units	Amount
Brought Forward ...			909.26		1,333.10
White Oak India Alternate Investment Fund					
White Oak India Equity Fund	10	48,22,958.103	541.45	48,22,958.103	491.59
Subtotal			1,450.71		1,824.69
Subtotal (C)			14,850.29		16,077.65
TOTAL (A+B+C)			19,225.87		21,445.70
Aggregate Book Value of Quoted Investments			13,765.34		14,191.70
Aggregate Fair Value of Quoted Investments			14,431.90		15,011.22
Aggregate amount of Unquoted Investments			5,460.53		7,254.00
Aggregate amount of impairment in the value of Investments			204.00		-

* Current year figures/ part figures have been shown under Current Investments (Refer Note 14) as these are maturing within 12 months from the reporting date.

Refer Note - 43.2 for disclosure on contractual commitment for acquisition of Investments.

9. LOANS

Particulars	As at 31st March 2019	As at 31st March 2018
Loans Receivables considered good - Unsecured		
- Security deposits*	22.53	36.71
	22.53	36.71

* Represents interest-bearing security deposits.

10. OTHER FINANCIAL ASSETS (NON-CURRENT)

Particulars	As at 31st March 2019	As at 31st March 2018
Fixed deposit accounts with bank (maturity over 12 months)*	266.66	200.29
Interest accrued on fixed deposits	0.97	0.81
Security deposits	11.51	11.51
Advances given to employees	3.45	9.26
	282.59	221.87

* Under lien towards margin money and / or security against borrowings.

11. NON-CURRENT TAX ASSETS (NET)

Particulars	As at 31st March 2019	As at 31st March 2018
Advance income tax and refund due (net of provision)	16.86	1.05
	16.86	1.05

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

12. OTHER NON-CURRENT ASSETS

Particulars	As at 31st March 2019	As at 31st March 2018
Capital advances	28.29	6.22
Others		
- Prepaid expense	15.79	3.18
- Indirect tax refundable (net of provision of ₹ 7.48, 31st March, 2018 ₹ 7.48)	138.55	93.42
	182.63	102.82

13. INVENTORIES

Particulars	As at 31st March 2019	As at 31st March 2018
(Valued at lower of cost and net realisable value)		
Raw materials	4,629.89	3,806.86
Work-in-progress	1,192.61	798.25
Finished goods	1,876.50	1,220.31
Stores and spares	333.02	315.45
Loose tools	1.27	0.84
	8,033.29	6,141.71
The above includes goods in transit as under:		
Finished goods	349.08	124.90
	349.08	124.90

1) Mode of valuation - Refer Note 3.1 of significant accounting policies.

2) Refer Note - 22 & 27 for information on hypothecation of inventory.

14. INVESTMENTS (CURRENT)

Particulars	Face Value per share/ unit	As at 31st March 2019		As at 31st March 2018	
		Shares/ Units	Amount	Shares/Units	Amount
(fully paid up unless otherwise stated)					
A. INVESTMENTS AT AMORTISED COST					
Investment in Debenture or Bond (Quoted)					
Indian Railway Finance Corporation Limited					
6.70% Tax Free Bonds, Series 68 B, 08-MAR-2020	1,00,000	300	300.54 *	-	-
Subtotal (A)			300.54		-
B. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS					
Investment in Preference Share (Quoted)					
Zee Entertainment Enterprises Limited					
6.00% Non Convertible Bonus Preference Shares	2**	20,00,000	36.73 *	80,00,000	150.80
(** Refer Note 8 (C)).					
Subtotal			36.73		150.80

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	Face Value per share/unit	As at 31st March 2019		As at 31st March 2018	
		Shares/Units	Amount	Shares/Units	Amount
Investments in Mutual Funds (Quoted)					
DSP BlackRock Mutual Fund					
DSP BlackRock FMP - Series 196 - 37M - Direct - Growth	10	50,00,000.000	579.25 *	-	-
HDFC Mutual Fund					
HDFC FMP 1875D August 2013 (1) Series 27 - Direct - Growth	10	-	-	50,00,000.000	765.17
HDFC FMP 1167D January 2016 (1) Series 35 - Direct - Growth	10	50,00,000.000	641.30 *	-	-
HDFC FMP 1114D March 2016 (1) Series 35 - Direct - Growth	10	50,00,000.000	632.54 *	-	-
ICICI Prudential Mutual Fund					
ICICI Prudential FMP Series 69 - 1821 Days Plan I Cumulative	10	-	-	50,00,000.000	735.59
ICICI Prudential FMP Series 77 - 1151 Days Plan S Direct Cumulative	10	-	-	20,00,000.000	244.13
Kotak Mahindra Mutual Fund					
Kotak FMP Series 181 - Direct - Growth	10	30,00,000.000	388.33 *	-	-
Reliance Mutual Fund					
Reliance Fixed Horizon Fund XXVIII Series 14 -Growth	10	-	-	30,00,000.000	391.29
Reliance Fixed Horizon Fund XXVIII Series 18 Direct - Growth	10	-	-	20,00,000.000	260.92
UTI Mutual Fund					
UTI Fixed Term Income Fund Series XXII - VIII (1099 Days) - Direct - Growth	10	-	-	30,00,000.000	376.30
Subtotal			2,241.42		2,773.40
Investments in Mutual Funds (Unquoted)					
Aditya Birla Sun Life Mutual Fund					
Aditya Birla Sun Life Liquid Fund - Direct - Growth	100	1,79,163.608	538.27	-	-
Aditya Birla Sun Life Savings Fund - Direct - Growth	100	-	-	1,45,467.410	500.30
Aditya Birla Sun Life Arbitrage Fund - Direct -Dividend Payout	10	90,46,301.741	997.41	-	-
Edelweiss Mutual Fund					
Edelweiss Arbitrage Fund - Direct - Monthly Dividend Payout	10	-	-	89,34,256.181	1,117.07
ICICI Prudential Mutual Fund					
ICICI Prudential Liquid - Direct - Growth	100	1,94,334.753	537.17	-	-
ICICI Prudential Flexible Income - Direct - Growth	100	-	-	1,53,881.428	515.63
ICICI Prudential Equity Arbitrage Fund - Direct - Dividend Payout	10	69,13,732.691	1,001.90	-	-
Kotak Mahindra Mutual Fund					
Kotak Equity Arbitrage Fund -Direct Plan Fortnightly Dividend-Payout	10	63,78,862.247	1,501.51	-	-
SBI Mutual Fund					
SBI Overnight Fund - Direct Plan - Growth	1,000	32,460.809	1,003.79	-	-
UTI Mutual Fund					
UTI Overnight Fund - Direct Plan - Growth	1,000	15,412.037	400.31	-	-
Subtotal			5,980.36		2,133.00
Subtotal (B)			8,258.51		5,057.20
TOTAL (A+B)			8,559.05		5,057.20
Aggregate Book Value of Quoted Investments			2,578.69		2,924.20
Aggregate Fair Value of Quoted Investments			2,578.97		2,924.20
Aggregate amount of Unquoted Investments			5,980.36		2,133.00

* Represents transfer from non-current investments (Refer Note - 8) as these are maturing within 12 months from the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

15. TRADE RECEIVABLES

Particulars	As at 31st March 2019	As at 31st March 2018
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	3,186.07	3,823.62
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
Less: Allowance for doubtful receivables	-	-
	3,186.07	3,823.62

- 1) There are no amount receivable from directors and officers of the Company either severally or jointly with any other person. Further, no amount is receivable from firms or private companies respectively in which any director is a partner or a director or a member.
- 2) Refer Note - 22 & 27 for information on hypothecation of trade receivables.
- 3) Refer Note - 54.3(a)(i) for disclosure on credit risk.

16. CASH AND CASH EQUIVALENTS

Particulars	As at 31st March 2019	As at 31st March 2018
Balances with banks		
- in current accounts *	874.02	899.38
- in cash credit accounts	15.62	-
Cheques on hand	0.71	-
Cash on hand	3.11	3.99
	893.46	903.37

* includes ₹ 0.44 (31st March, 2018 ₹ Nil) on account of fractional bonus shares.

17. OTHER BANK BALANCES OTHER THAN NOTE - 16

Particulars	As at 31st March 2019	As at 31st March 2018
Fixed deposits having maturity less than 12 months *	771.64	117.94
Unpaid dividend accounts	66.31	76.05
Fractional bonus share account	0.83	0.44
	838.78	194.43

* Under lien ₹ 771.64 (31st March, 2018 ₹ 17.94) towards margin money and/or security against borrowings.

Fixed deposit accounts with maturity of more than 12 months amounting to ₹ 266.66 (31st March, 2018 ₹ 200.29) being non-current has been shown under the head other financial assets (non-current) (Refer Note 10).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

18. OTHER FINANCIAL ASSETS (CURRENT)

Particulars	As at 31st March 2019	As at 31st March 2018
Interest accrued on investments, fixed and security deposits	111.82	157.82
Advances given to employees	10.27	16.81
Mark to market gain on forward contract receivables	-	12.13
Other receivables *	68.30	4.23
	190.39	190.99

* Includes primarily amount receivable against interest on excise duty paid under protest and interest claimed on withheld amount of jute goods supplied to government agencies.

19. OTHER CURRENT ASSETS

Particulars	As at 31st March 2019	As at 31st March 2018
Advance against supply of goods and services	142.20	33.35
Others		
-Excess of plan assets over defined benefit obligation (Refer Note - 46)	300.57	375.74
-Export incentives receivable	568.09	529.25
-Other Government grants receivable	30.53	34.15
-Indirect taxes paid against demand (Refer Note - 43.1(b))	185.62	185.62
-Excise duty paid under protest *	110.73	110.73
-Balances with Government authorities	160.66	27.62
-Prepaid expense	204.25	108.70
-Indirect tax refundable	52.18	37.59
-Other advances	7.24	4.43
	1,762.07	1,447.18

*Amount paid "Under Protest" pursuant to the final order dated 16th March, 2010 of the Tribunal against which an appeal is pending before the Hon'ble Supreme Court.

There are no outstanding debts from directors or other officers of the Company either severally or jointly with any other person. Further, no amount is receivable from firms or private companies respectively in which any director is a partner or a director or a member.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

20. EQUITY SHARE CAPITAL

Particulars	As at 31st March 2019		As at 31st March 2018	
	No. of Shares	Amount	No. of Shares	Amount
Authorised share capital				
Ordinary shares of ₹ 10/- each	70,00,000	700.00	70,00,000	700.00
Issued and subscribed share capital				
Ordinary shares of ₹ 10/- each fully paid up	64,66,875	646.69	43,11,250	431.13
Ordinary shares of ₹ 10/- each not fully paid up and forfeited (amount originally paid up)		0.35		0.35
	64,66,875	647.04	43,11,250	431.48

a) Reconciliation of the number of ordinary shares at the beginning and at the end of the year

Particulars	As at 31st March 2019		As at 31st March 2018	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	43,11,250	431.13	45,11,250	451.13
Add: Issue of bonus shares (Refer Note (e) below)	21,55,625	215.56	-	-
Less: Buyback of shares	-	-	2,00,000	20.00
At the end of the year	64,66,875	646.69	43,11,250	431.13

b) Terms/ rights attached to ordinary shares :

The Company has only one class of ordinary shares having a par value of ₹ 10/- per share. Each holder of ordinary shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupee. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of ordinary shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of ordinary shares held by the shareholders.

c) Shareholding pattern with respect of Holding Company

Name of shareholders	As at 31st March 2019		As at 31st March 2018	
	No. of Shares	% Holding	No. of Shares	% Holding
Ordinary shares of ₹ 10/- each, fully paid up				
Harsh Investments Private Limited	37,02,445	57.25%	24,68,297	57.25%

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

d) Details of shareholders holding more than 5% shares in the Company

Name of Shareholders	As at 31st March 2019		As at 31st March 2018	
	No. of Shares	% Holding	No. of Shares	% Holding
Ordinary shares of ₹ 10/- each, fully paid up				
Harsh Investments Private Limited (Holding Company)	3,702,445	57.25%	2,468,297	57.25%
Mr. Harsh Vardhan Kanoria	480,853	7.44%	320,569	7.44%
Mrs. Malati Kanoria	398,776	6.17%	265,851	6.17%

As per records of the Company, including its register of shareholders / members as on 31st March, 2019, the above shareholding represents legal ownership of shares.

- e) The Company has issued and allotted 21,55,625 bonus ordinary shares in the ratio of 1 (one) fully paid-up bonus ordinary share of the face value of ₹ 10/- each for every existing 2 (two) fully paid-up ordinary shares of the face value of ₹ 10/- each held by the members as on 30th August, 2018, the Record Date by capitalization of a sum of ₹ 215.56 from and out of General Reserve of the Company as approved by the members at the annual general meeting held on 10th August, 2018.
- f) The Company has bought back 2,00,000 ordinary shares during the financial year 2017-18.
- g) No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.
- h) No securities convertible into equity/ preference shares have been issued by the Company during the year.
- i) No calls are unpaid by any director or officer of the Company during the year.

21. OTHER EQUITY

Particulars	Note Reference	As at 31st March 2019	As at 31st March 2018
Capital reserve	21.1	0.24	0.24
Securities premium	21.2	-	-
General reserve	21.3	39,978.31	36,112.23
Capital redemption reserve	21.4	29.92	29.92
Special economic zone re-investment reserve account	21.5	300.65	582.29
Retained earnings	21.6	5,097.75	3,685.75
Other comprehensive income reserve	21.7	15,132.01	9,197.29
		60,538.88	49,607.72

21.1 Capital reserve

Particulars	As at 31st March 2019	As at 31st March 2018
Balance at the beginning of the year	0.24	0.24
Add: Changes during the year	-	-
Balance at the end of the year	0.24	0.24

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

21.2 Securities premium

Particulars	As at 31st March 2019	As at 31st March 2018
Balance at the beginning of the year	-	1,242.50
Less: Utilized on buyback of ordinary shares	-	1,242.50
Balance at the end of the year	-	-

21.3 General reserve

Particulars	As at 31st March 2019	As at 31st March 2018
Balance at the beginning of the year	36,112.23	33,188.30
Add: Transfer from retained earnings	3,800.00	4,500.00
Add : Transfer from special economic zone re-investment reserve account	281.64	181.43
Less: Utilised on buyback of ordinary shares	-	1,737.50
Less: Utilised on issue of bonus shares	215.56	-
Less: Transfer to capital redemption reserve pursuant to buyback of ordinary shares	-	20.00
Balance at the end of the year	39,978.31	36,112.23

21.4 Capital redemption reserve

Particulars	As at 31st March 2019	As at 31st March 2018
Balance at the beginning of the year	29.92	9.92
Add: Transfer from general reserve pursuant to buyback of ordinary shares	-	20.00
Balance at the end of the year	29.92	29.92

21.5 Special economic zone re-investment reserve account

Particulars	As at 31st March 2019	As at 31st March 2018
Balance at the beginning of the year	582.29	763.72
Less : Transfer to general reserve upon utilization	24.35	92.71
Less: Unutilised amount transferred to general reserve on expiry of a period of three years	257.29	88.72
Balance at the end of the year	300.65	582.29

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

21.6 Retained earnings

Particulars	As at 31st March 2019	As at 31st March 2018
Balance at the beginning of the year	3,685.75	2,643.29
Add: Profit for the year	5,017.80	5,407.61
Add: Transfer from other comprehensive income - Remeasurement of defined benefit plans (net of tax)	87.04	125.21
Add : Transfer from other comprehensive income on reclassification of equity instruments	159.13	63.93
Less: Appropriations		
Dividend paid during the year	43.11	45.11
Dividend distribution tax	8.86	9.18
Transfer to general reserve	3,800.00	4,500.00
Balance at the end of the year	5,097.75	3,685.75

21.7 Other comprehensive income reserve

Particulars	As at 31st March 2019	As at 31st March 2018
a) Equity instrument through other comprehensive income		
Balance at the beginning of the year	35.14	(0.83)
Add: Change in fair value	135.74	99.90
Less: Deferred tax on above	11.75	-
Less: Transfer to retained earnings on reclassification	159.13	63.93
Balance at the end of the year	-	35.14
b) Debt instrument through other comprehensive income		
Balance at the beginning of the year	-	42.86
Add: Change in fair value	-	6.88
Less: Deferred tax on above	-	0.79
Less: Reclassification from other comprehensive income to statement of profit and loss (net of tax)	-	48.95
Balance at the end of the year	-	-
c) Revaluation surplus		
Balance at the beginning of the year (net of deferred tax)	9,162.15	9,115.36
Add : Change during the year	7,343.66	-
Less: Impact of deferred tax	1,373.80	(46.79)
Balance at the end of the year	15,132.01	9,162.15
d) Remeasurement of defined benefit plans		
Balance at the beginning of the year	-	-
Add: Remeasurement gain	133.79	191.48
Less: Current tax on above	46.75	66.27
Less: Transferred to retained earnings	87.04	125.21
Balance at the end of the year	-	-
Total of other comprehensive income reserve (a + b + c + d)	15,132.01	9,197.29

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

Nature and purpose of other reserves

Capital reserve

Capital reserve represents capital profits appropriated as per erstwhile Companies Act, 1956 arising on sale of fixed assets during the year ended 30th November, 1985 and 31st March, 1992. This reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Securities premium

Securities premium represents the premium received on issue of shares. This reserve had been utilised in accordance with the provisions of the Companies Act, 2013 in the previous year.

General reserve

General Reserve represents the reserve created through annual transfer of net profit at a specified percentage in accordance with the provisions of the erstwhile Companies Act, 1956. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn, though the Company may voluntarily transfer such percentage of its profits for the financial year, as it may consider appropriate. This reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Capital redemption reserve

Capital redemption reserve represents the reserve created during the year ended 30th November, 1981 as a result of redemption of cumulative preference share capital of the Company. Further, the Company has recognised capital redemption reserve on buyback of ordinary shares from the General reserve during financial year ended 31st March, 2018 with the nominal amount of the ordinary shares bought back as per the applicable provisions of the Companies Act, 2013. This reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Special economic zone re-investment reserve account

Special economic zone re-investment reserve account has been created out of the profit of SEZ unit in terms of the provisions of Section 10AA of the Income Tax Act, 1961. This reserve can be utilised by the Company as per the provisions of Section 10AA of the Income Tax Act, 1961.

Retained earnings

This reserve represents the cumulative profits of the Company after appropriation. This reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Other comprehensive income reserve

Equity instrument through other comprehensive income

This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income net of tax and amounts reclassified to retained earnings.

Debt instrument through other comprehensive income

This represents the cumulative gains and losses arising on the fair valuation of debt instruments measured at fair value through other comprehensive income net of tax and amounts reclassified to statement of profit and loss.

Revaluation surplus

Revaluation surplus represents the revaluation gain, net of deferred tax, on upward valuation of freehold land.

Remeasurement of defined benefit plans

Remeasurement of defined benefit plans comprises actuarial gains and losses and return on plan asset (excluding interest income) which are recognised in other comprehensive income and then immediately transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

22. BORROWINGS (NON-CURRENT)

Particulars	As at 31st March 2019	As at 31st March 2018
Term loan (secured)		
From Export Import Bank of India	62.96	77.77
From State Bank of India	22.50	37.50
	85.46	115.27
Less: Current portion (disclosed under other financial liabilities- Refer Note - 29)	29.81	29.81
	55.65	85.46

- Loan from Export Import Bank of India is secured by hypothecation of all movable fixed assets on first charge basis and all current assets on second charge basis and by mortgage of specific immovable properties both present and future by deposit of title deeds on first charge basis.
- Outstanding amount including current maturities of loan taken from Export Import Bank of India is repayable in 17 equal quarterly installments of ₹ 3.70 each by April, 2023. Rate of interest is LTMLR plus 1% p.a, effective rate @ 10.30% p.a. (31st March, 2018 : 10.00% p.a.)
- Loan from State Bank of India is against lien on fixed deposit.
- Outstanding amount including current maturities of loan taken from State Bank of India is repayable in 18 equal monthly installments of ₹ 1.25 each by September, 2020. Rate of interest is 10.25% p.a. (31st March, 2018 : 10.25% p.a.)
- No loans have been guaranteed by the directors of the Company.
- There is no default as on the balance sheet date in the repayment of borrowings and interest thereon.

23. OTHER FINANCIAL LIABILITIES (NON-CURRENT)

Particulars	As at 31st March 2019	As at 31st March 2018
Long term maturities of finance lease obligations	0.03	0.03
Capital creditors *	57.51	-
Security deposits from contractors	32.25	21.75
	89.79	21.78

* Represents balance in respect of retention money.

24. PROVISIONS (NON-CURRENT)

Particulars	As at 31st March 2019	As at 31st March 2018
Provision for leave	65.08	-
	65.08	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

25. DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31st March 2019	As at 31st March 2018
Deferred tax liabilities		
Arising on account of :		
Depreciable assets	531.13	503.92
Fair value gain on financial instrument	211.08	206.39
Mark to market gain/(loss) on forward contract	-	4.24
On revaluation of freehold land	1,855.80	482.00
Reserve created u/s 10AA of the Income Tax Act, 1961	0.22	89.90
	2,598.23	1,286.45
Deferred tax assets		
Arising on account of :		
Disallowances under the Income Tax Act, 1961	127.61	137.16
Deferred revenue grant	47.42	57.67
Carried forward losses under Income Tax Act, 1961	26.71	121.71
	201.74	316.54
Deferred Tax Liabilities (Net)	2,396.49	969.91

25.1 Movement in deferred tax assets and liabilities during the year ended 31st March, 2018 and 31st March, 2019

Particulars	As at 1st April 2017	Recognized in statement of profit and loss	Recognized in other comprehensive income *	As at 31st March 2018
Deferred tax liabilities				
Arising on account of :				
Depreciable assets	455.97	47.95	-	503.92
Fair value gain on financial instrument	199.28	6.32	0.79	206.39
Mark to market gain/(loss) on forward contract	6.97	(2.73)	-	4.24
On revaluation of freehold land	528.79	-	(46.79)	482.00
Reserve created u/s 10AA of the Income Tax Act, 1961	117.22	(27.32)	-	89.90
	1,308.23	24.22	(46.00)	1,286.45
Deferred tax assets				
Arising on account of :				
Disallowances under the Income Tax Act, 1961	135.59	1.57	-	137.16
Deferred revenue grant	56.51	1.16	-	57.67
Carried forward losses under Income Tax Act, 1961	203.83	(82.12)	-	121.71
	395.93	(79.39)	-	316.54
	912.30	103.61	(46.00)	969.91

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	As at 1st April 2018	Recognized in statement of profit and loss	Recognized in other comprehensive income *	As at 31st March 2019
Deferred tax liabilities				
Arising on account of :				
Depreciable assets	503.92	27.21	-	531.13
Fair value gain on financial instrument	206.39	(7.06)	11.75	211.08
Mark to market gain/(loss) on forward contract	4.24	(4.24)	-	-
On revaluation of freehold land	482.00	-	1,373.80	1,855.80
Reserve created u/s 10AA of the Income Tax Act, 1961	89.90	(89.68)	-	0.22
	1,286.45	(73.77)	1,385.55	2,598.23
Deferred tax assets				
Arising on account of :				
Disallowances under the Income Tax Act, 1961	137.16	(9.55)	-	127.61
Deferred revenue grant	57.67	(10.25)	-	47.42
Carried forward losses under Income Tax Act, 1961	121.71	(95.00)	-	26.71
	316.54	(114.80)	-	201.74
	969.91	41.03	1,385.55	2,396.49

* Excludes ₹ 46.75 (F.Y. 2017-18 ₹ 66.27) being income tax on defined benefit obligation considered as current tax.

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income tax levied by the same taxation authority.

26. OTHER NON-CURRENT LIABILITIES

Particulars	As at 31st March 2019	As at 31st March 2018
Deferred revenue grant	107.21	140.80
	107.21	140.80

(i) Movement of deferred revenue grant

Particulars	As at 31st March 2019	As at 31st March 2018
Balance at the beginning of the year (Non-current and current)	165.02	163.28
Add: Addition during the year	-	29.38
Less: Released to statement of profit & loss (Refer Note - 33)	29.32	27.64
Balance at the end of the year (Non-current and current)	135.70	165.02
Non-current deferred revenue	107.21	140.80
Current portion of deferred revenue (Refer Note - 30)	28.49	24.22

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

27. BORROWINGS (CURRENT)

Particulars	As at 31st March 2019	As at 31st March 2018
Working capital loan (secured)		
From State Bank of India:		
Cash credit	-	458.93
	-	458.93

Terms & conditions :

- Cash credit are secured by hypothecation of stocks, book debts and certain other assets on first charge basis and all movable fixed assets on second charge basis and by mortgage of specific immovable properties both present and future by deposit of title deeds, subject to prior charge created in favour of Export Import Bank of India.
- Cash credit are repayable on demand and carries interest @ MCLR plus 1.25% p.a., effective rate @ 9.40 % p.a. on the date of liquidation (31st March, 2018: 9.40 % p.a.)
- No loans have been guaranteed by the directors and others.
- There is no default as on the balance sheet date in the repayment of borrowings and interest thereon.
- As on the balance sheet date, i.e. 31st March, 2019, the cash credit account carries favourable balance and is included under cash and cash equivalents (Refer Note - 16). The Company has requested for closure of cash credit facility by repayment of outstanding balance and necessary formalities for satisfaction of charge, etc. are in process as at the balance sheet date.

28. TRADE PAYABLES

Particulars	As at 31st March 2019	As at 31st March 2018
Total outstanding dues of micro enterprises and small enterprises (Refer Note 44)	1.14	1.21
Total outstanding dues of creditors other than micro enterprises and small enterprises #	516.83	559.94
	517.97	561.15

Includes outstanding dues of directors of the Company of ₹ 22.50 (31st March, 2018 ₹ 18.00).

29. OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	As at 31st March 2019	As at 31st March 2018
Current maturities of long term borrowings (Refer Note - 22)	29.81	29.81
Interest accrued but not due on borrowings	0.20	0.33
Unpaid dividends*	66.31	76.05
Fractional bonus share proceeds unclaimed	1.27	0.44
Capital creditors	-	21.43
Employee related liabilities #	1,239.45	994.19
Others @	15.75	10.34
	1,352.79	1,132.59

* No amounts are due and outstanding to be credited to Investor Education and Protection Fund.

Includes outstanding dues of directors and officers of the Company of ₹ 551.50 (31st March, 2018 ₹ 587.80).

@ Includes outstanding dues of officer of the Company of ₹ 1.62 (31st March, 2018 ₹ Nil).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

30. OTHER CURRENT LIABILITIES

Particulars	As at 31st March 2019	As at 31st March 2018
Contract liabilities	33.52	-
Advances from customers	-	160.69
Deferred revenue grant	28.49	24.22
Statutory dues payable	166.96	205.24
	228.97	390.15

31. PROVISIONS (CURRENT)

Particulars	As at 31st March 2019	As at 31st March 2018
Provision for leave	213.92	305.92
Provision for contingencies	186.12	186.12
	400.04	492.04

(i) Movement of provisions pursuant to Ind AS 37

Particulars	As at 31st March 2019	As at 31st March 2018
Provision for Contingencies		
Balance at the beginning of the year	186.12	186.12
Additional provision during the year	-	-
Provision used during the year	-	-
Provision reversed during the year	-	-
Balance at the end of the year	186.12	186.12

Provision for contingency represents estimates made mainly for probable claim arising out of dispute in respect of indirect tax pending before the Hon'ble Supreme Court. The probability and timing of the outflow with regard to interest depends on the ultimate settlement / conclusion.

32. CURRENT TAX LIABILITIES (NET)

Particulars	As at 31st March 2019	As at 31st March 2018
Provision for taxation (net of payments)	76.54	203.16
	76.54	203.16

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

33. REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Sale of products :		
Finished goods (including jute manufacturing cess) *	38,312.00	36,647.13
	38,312.00	36,647.13
Other operating revenues		
Export incentives	1,068.12	840.70
Income from deferred revenue grant	29.32	27.64
Scrap sale	46.38	49.99
Other operating income	0.14	46.21
	1,143.96	964.54
	39,455.96	37,611.67

*includes jute manufacturing cess recovered ₹ Nil (F.Y. 2017-18 ₹ 53.07 till 30th June, 2017) since consequent to the introduction of Goods and Service Tax (GST) effective from 1st July, 2017, sales are recorded net of GST whereas earlier sales were recorded gross of jute manufacturing cess which formed part of other expenses. Hence, related figures for the year ended 31st March, 2019 are not comparable with corresponding figures of the previous year.

34. OTHER INCOME

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Interest income #		
On investments	397.26	457.73
On fixed deposits with banks	28.62	27.43
On other deposits	2.36	2.61
On others	130.71	-
	558.95	487.77
Dividend income		
Dividend from equity instruments measured at FVTOCI	2.96	5.99
Dividend from other investments measured at FVTPL	391.68	825.20
	394.64	831.19
Other non operating income		
Net gain on fair value changes of investments measured at FVTPL	999.65	507.64
Net gain on sale of investments measured at FVTPL	180.90	321.40
Net gain on OCI items reclassified to statement of profit and loss	-	48.95
Net gain on foreign currency transactions and translations (other than considered as finance cost)	-	142.56
Mark to market gain / cancellation on derivative financial instruments	-	16.91
Profit on sale of property, plant and equipment (net)	16.55	9.76
Indirect taxes for earlier years	45.05	-
Other non operating income	15.69	32.31
	1,257.84	1,079.53
	2,211.43	2,398.49
# Interest income comprises interest from :-		
Financial assets measured at amortised cost	481.48	413.02
Other financial assets measured at FVTPL	12.72	47.32
Deposits with banks - carried at amortised cost	28.62	27.43
Other current assets	36.13	-
	558.95	487.77

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

35. COST OF MATERIALS CONSUMED

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Raw jute	19,011.54	17,002.20
Jute yarn	1,717.02	1,535.60
Others	11.29	10.77
	20,739.85	18,548.57

36. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Opening stock		
Finished goods	1,220.31	1,698.92
Work-in-progress	798.25	576.76
	2,018.56	2,275.68
Closing stock		
Finished goods	1,876.50	1,220.31
Work-in-progress	1,192.61	798.25
	3,069.11	2,018.56
	(1,050.55)	257.12

37. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Salaries, wages and bonus	6,073.15	5,856.60
Contribution to provident and other funds (Refer Note - 46) *	792.22	813.05
Staff welfare expenses	79.13	84.15
	6,944.50	6,753.80

* Net of revenue grant received amounting to ₹ 15.46 (F.Y. 2017-18 ₹ NIL).

38. FINANCE COSTS

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Interest expenses		
- On borrowings	51.32	63.45
- On others*	5.17	9.34
Other borrowing costs	15.72	16.25
	72.21	89.04

* Includes notional interest on finance lease obligations of ₹ Nil ^ (F.Y. 2017-18 ₹ 0.03).

^ amount below ₹ 500

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

39. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Depreciation and amortisation of property, plant and equipment	399.90	380.39
Depreciation and amortisation of investment property	0.45	0.44
Amortisation of intangible assets	32.55	55.94
	432.90	436.77

40. OTHER EXPENSES

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Consumption of stores and spare parts	2,143.05	2,128.55
Power & fuel *	1,844.08	1,793.21
Processing charges	751.02	653.07
Rent	92.31	109.44
Rates and taxes	17.72	25.12
Repairs to buildings	144.28	180.70
Repairs to machinery	82.88	73.65
Repairs to others	32.14	30.12
Insurance	73.23	93.62
Donation	525.00	-
Expenditure towards CSR (Refer Note - 49)	110.00	90.56
Delivery charges	676.94	648.54
Jute manufacturing cess	-	55.93
Property, plant and equipment & other intangible assets written off	-	16.23
Impairment of investments	204.00	-
Bad debts written off	31.21	-
Net loss on foreign currency transactions and translations (other than considered as finance cost)	47.79	-
Loss on cancellation of derivative financial instruments	2.07	-
Directors' sitting fees and commission	26.10	20.94
Payments to auditors (refer note below)	8.91	12.00
Miscellaneous expenses *	558.91	595.57
	7,371.64	6,527.25
Payments to auditors :		
(a) for audit services	5.75	5.75
(b) for other services (F.Y. 2017-18 includes ₹ 0.41 for erstwhile auditor)	3.00	5.69
(c) for reimbursement of expenses (F.Y. 2017-18 includes ₹ 0.39 for erstwhile auditor)	0.16	0.56
	8.91	12.00

* Net of revenue grant received amounting to ₹ 19.91 (F.Y. 2017-18 ₹ 24.11).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

41. TAX EXPENSE

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Current tax	2,108.25	1,881.73
Deferred tax	41.03	103.61
	2,149.28	1,985.34
Tax for earlier years (net)	(10.24)	4.66
	2,139.04	1,990.00

41.1 Reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in statement of profit and loss :

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Income before income taxes	7,156.84	7,397.61
Indian statutory income tax rate	34.944%	34.608%
Estimated income tax expenses	2,500.89	2,560.16
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Income exempt from tax	(295.41)	(486.41)
Deduction under Chapter VIA of the Income Tax Act, 1961	(110.95)	(4.79)
Impact of reversal of reserve created under Section 10AA of the Income Tax Act, 1961	0.23	3.38
Expenses disallowed or considered separately	278.82	81.03
Income taxable at special rates	(233.47)	(174.90)
Others	9.17	6.87
Total tax effect	(351.61)	(574.82)
Tax expenses recognised in statement of profit and loss	2,149.28	1,985.34
Effective tax rate	30.03%	26.84%

42. EARNINGS PER SHARE

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Profit as per statement of profit and loss attributable to ordinary shareholders (a)	5,017.80	5,407.61
Weighted average number of ordinary shares (in number) (b)	64,66,875	65,60,574
Basic & diluted earnings per share (a/b) (nominal value - ₹ 10/- per share) (in ₹)	77.59	82.43

Pursuant to issue of bonus shares, the weighted average number of shares and earnings per share of previous year have been accordingly restated.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

43. CONTINGENT LIABILITIES & COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

43.1 Contingent Liabilities :

a) Claims against the Company not acknowledged as debts :

Particulars	As at 31st March 2019	As at 31st March 2018
Income tax in dispute and under appeal (Against this ₹ 6.00 (31st March, 2018 ₹ Nil) has been deposited)	73.61	66.48
Sales tax in dispute and under appeal	-	1.74
Excise duty including penalty in dispute and interest thereon (amount not yet quantified) under appeal before CESTAT being barred by limitation as per legal opinion (Against this ₹ 185.62 (31st March, 2018 ₹ 185.62) has been deposited - Refer Note 43.1 (b) below)	-	4,949.99
Service tax in dispute against show cause notice	-	0.81

b) Customs, Excise & Service Tax Appellate Tribunal ("The Tribunal") vide its order dated 11th January, 2019 has issued the order in favour of the Company and hence the demand (including penalty) in relation to excise duty stands vacated. Further, the department vide its order dated 23rd April, 2019 has issued a refund order of ₹ 185.62 towards refund of amount pre-deposited against such demand along with interest amounting to ₹ 36.31.

43.2 Capital and other commitments :

Particulars	As at 31st March 2019	As at 31st March 2018
Estimated amount of contracts remaining to be executed and not provided for (net of advances/amount invested) :		
Against property, plant and equipment	2,379.08	2,474.02
Against other intangible assets	-	-
Against investments	790.00	1,000.00

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

44. DETAILS OF DUES TO MICRO ENTERPRISES AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006 INCLUDED IN TRADE PAYABLES

Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006, to the extent ascertained and as per notification number GSR 679 (E) dated 4th September, 2015

Particulars	As at 31st March 2019	As at 31st March 2018
i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	1.14	1.21
- Towards principal amount	1.14	1.21
- Towards interest on above	- ^	-
ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	- ^	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

^ amount below ₹ 500

45. DIVIDEND

The Board of Directors at its meeting held on 27th May, 2019 have recommended a payment of dividend of ₹ 1/- per ordinary share of face value of ₹ 10/- each for the financial year ended 31st March, 2019 (31st March 2018 ₹ 1/- per ordinary share). The same amounts to ₹ 77.96 including dividend distribution tax of ₹ 13.29 (31st March 2018 ₹ 51.97 including dividend distribution tax of ₹ 8.86).

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognized as a liability.

46. DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD - 19 'EMPLOYEE BENEFITS' AS NOTIFIED U/S 133 OF THE COMPANIES ACT, 2013

46.1 Defined Contribution Plans:

The Company has during the year recognised an expense of ₹ 583.26 (F.Y. 2017-18 ₹ 588.96) towards defined contribution plans.

Out of the total contribution, made for employees' provident fund, a sum of ₹ 88.43 (F.Y. 2017-18 ₹ 87.76) has been made to Cheviot Company Limited Employees' Provident Fund while the remaining contribution has been made to the provident fund plan operated by the Regional Provident Fund Commissioner. Further, considering the past track and fair value of the plan assets of the Trust, the Company does not envisage any shortfall in liability towards the interest payable by the Trust at the notified interest rate.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

46.2 Defined Benefit Plans:

Gratuity Plan

This is a funded defined benefit plan for qualifying employees. The Company makes contributions to the Cheviot Company Limited Employees' Gratuity Trust Fund. Gratuity is payable to all eligible employees of the Company on superannuation, death, permanent disablement and on resignation/termination of employment in terms of the provisions of the Payment of Gratuity Act or as per the Company's rule, whichever is more beneficial to the employee.

a) Risk Exposure

Defined benefit plans expose the Company to actuarial risks such as: Interest rate risk, Salary risk and Demographic risk.

- i) **Interest rate risk:** The defined benefit obligation calculated uses a discount rate based on government bonds. If the bond yield falls, the defined benefit obligation will tend to increase.
- ii) **Salary risk:** Higher than expected increase in salary will increase the defined benefit obligation.
- iii) **Demographic risk:** This is the risk of variability of results due to unsystematic nature of decrements that includes mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefits obligations is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis, the retirement benefit of the short service employee typically costs less per year as compared to a long service employee.

b) Changes in present value of obligation

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2019	For the year ended 31st March, 2018
Defined benefit obligation at the beginning of the year	2,356.27	2,337.03
Current service cost	242.95	261.48
Interest cost on defined benefit obligation	175.01	168.51
Actuarial gain and losses arising from		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	(19.52)	15.95
- Experience adjustment	(144.12)	(246.35)
Benefits paid	(137.23)	(180.35)
Present value of defined benefit obligation at the end of the year	2,473.36	2,356.27

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

c) Changes in fair value of the plan assets

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2019	For the year ended 31st March, 2018
Fair value of plan assets at the beginning of the year	2,732.01	2,745.38
Interest income on plan assets	209.00	205.90
Actuarial gain/(loss) through other comprehensive income	(29.85)	(38.92)
Employer contributions to the plan	-	-
Benefits paid from the plan assets	(137.23)	(180.35)
Fair value of plan assets at the end of the year	2,773.93	2,732.01

d) Net asset recognised in the Balance Sheet

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2019	For the year ended 31st March, 2018
Present value of defined benefit obligation	2,473.36	2,356.27
Fair value of plan assets	2,773.93	2,732.01
Net asset recognised in the Balance Sheet	300.57	375.74

e) Expenses recognised in statement of profit and loss

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2019	For the year ended 31st March, 2018
Current service cost	242.95	261.48
Interest cost	175.01	168.51
Interest income on plan assets	(209.00)	(205.90)
Total expenses recognised in statement of profit and loss	208.96	224.09

f) Remeasurements recognized in other comprehensive income

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2019	For the year ended 31st March, 2018
Remeasurement (gain)/loss in other comprehensive income due to		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	(19.52)	15.95
- Experience adjustment	(144.12)	(246.35)
Return on plan assets (excluding interest)	(29.85)	(38.92)
	(133.79)	(191.48)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

g) Composition of plan assets

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2019	For the year ended 31st March, 2018
Government of India/ Government of India guaranteed securities	13.03%	13.66%
State Government/ State Government guaranteed securities	43.96%	40.20%
Bonds	33.24%	38.03%
Units of money market mutual fund	0.85%	0.80%
Units of equity linked scheme of mutual fund	5.49%	3.66%
Cash at bank and receivables (net)	3.43%	3.65%
	100.00%	100.00%

h) Actuarial assumptions

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2019	For the year ended 31st March, 2018
Financial assumptions		
Discount rate	7.65%	7.50%
Salary escalation rate	9.00%	9.00%
Demographic assumptions		
Mortality rate	IALM (2006-08) Table	IALM (2006-08) Table
Withdrawal rate	1% to 8%	1% to 8%
Retirement age	58-77 years	58-75 years

- i) The estimates of future salary increase considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- j) At 31st March 2019, the weighted average duration of the defined benefit obligation was 5.19 years (31st March, 2018 6.18 years). The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows:

Particulars	Gratuity (Funded)
Expected benefits payment for the year ending on	
31st March 2020	300.17
31st March 2021	364.14
31st March 2022	208.09
31st March 2023	250.47
31st March 2024 to 31st March 2029	1,406.91
Beyond 31st March 2029	3,348.43

- k) The Company expects to contribute ₹ Nil to its gratuity fund in F.Y. 2019-20.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

I) Sensitivity analysis

The sensitivity analysis below have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation to the amounts shown below:

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2019	For the year ended 31st March, 2018
Effect on DBO due to 1% increase in discount rate	2,272.58	2,163.27
Effect on DBO due to 1% decrease in discount rate	2,682.94	2,545.96
Effect on DBO due to 1% increase in salary escalation rate	2,686.16	2,548.36
Effect on DBO due to 1% decrease in salary escalation rate	2,266.60	2,158.20
Effect on DBO due to 1% increase in withdrawal rate	2,440.34	2,318.16
Effect on DBO due to 1% decrease in withdrawal rate	2,487.09	2,365.23

47. SEGMENT REPORTING

47.1 Segment Information

Operating segments are reported in a manner consistent with the internal reporting to the chief operating decision maker (CODM). The Chief Executive Officer of the Company being the CODM, assesses the financial performance and position of the Company and makes strategic decisions. The CODM primarily uses earnings before interest, tax, depreciation and amortisation (EBITDA) as performance measure to assess the performance of the operating segments. However, the CODM also receives information about the segment revenues, segment assets and segment liabilities on regular basis.

47.2 Description of Segment

The Company is engaged in a single business segment i.e. manufacturing and sale of jute goods. Hence, disclosure requirements as required by Ind AS -108 are not applicable in respect of business segment.

47.3 The geographical segments considered for disclosure are as under :

Particulars	For the year ended 31st March 2019			For the year ended 31st March 2018		
	Within India	Overseas	Total	Within India	Overseas	Total
Revenue	24,320.38	13,991.62	38,312.00	23,618.01	13,029.12	36,647.13
Non-current assets other than financial instruments *	23,482.35	-	23,482.35	15,032.39	-	15,032.39

*Non-current assets other than financial instruments include property, plant and equipment, capital work-in-progress, investment property, other intangible assets, non-current tax assets (net) and other non-current assets.

47.4 Extent of reliance on major customer

Revenue from government agencies amounting to ₹ 21,465.00 (56.03% of total revenue); F.Y. 2017-18 ₹ 18,676.14 (50.96% of total revenue) has arisen on sale of jute bags within India.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

48. DISCLOSURES PURSUANT TO IND AS - 115

48.1 Nature of goods and services : The Company is engaged in the manufacturing and sale of jute products and the same is only reportable segment of the Company.

48.2 Disaggregation of revenue : In the following table, revenue is disaggregated by primary geographical market, major products lines and timing of revenue recognition, etc :

Particulars	For the year ended 31st March 2019
A. Primary geographical markets	
Within India	24,320.38
Overseas	13,991.62
Total	38,312.00
B. Major products	
Jute products	38,312.00
Total	38,312.00

C. The company recognises revenue at a point in time. The contract with customers are of short term duration and all sales are direct to customers.

48.3 Contract balances : The following table provides information about receivables, contract assets and contract liabilities from contract with customers :

Particulars	As at 31st March 2019
Receivables, which are included in 'Trade and other receivables' (Refer Note - 15)	3,186.07
Contract assets	-
Contract liabilities (Refer Note - 30)	33.52
Total (Assets - Liabilities)	3,152.55

48.4 Other information

Particulars	For the year ended 31st March 2019
(i) Transaction price allocated to the remaining performance obligations	Nil
(ii) The amount of revenue recognised in the current period that was included in the opening contract liability balance	Nil
(iii) The amount of revenue recognised in the current period from performance obligations satisfied (or partially satisfied) in previous periods	Nil
(iv) Performance obligations	The Company satisfy the performance obligation on shipment / delivery
(v) Significant payment terms	The amounts receivable from customers become due after expiry of credit period which on an average is less than 30 days. There is no significant financing component in any transaction with the customers.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

48.5 The Company has consistently applied the accounting policies to all periods presented in these financial statements. The Company has adopted Ind AS 115, "Revenue from Contracts with Customers" with a date of initial application of 1st April, 2018. As a result, the Company has changed its accounting policy for revenue recognition. The Company has adopted modified retrospective approach and had applied Ind AS 115 only retrospectively to the current period by recognizing the cumulative effect of initially applying Ind AS-115 as an adjustment to the opening balance of retained earnings at the date of initial application i.e. 1st April, 2018. Under the modified retrospective method, the comparative information in the financial statement is not restated and would be presented based on the requirements of the previous standards (e.g. Ind AS-18 / Ind AS-11). However there is no impact on financial statements with respect to change in accounting policy.

49. DISCLOSURES OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE IN LINE WITH THE REQUIREMENT OF GUIDANCE NOTE ON "ACCOUNTING FOR EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES".

Particulars	For the year ended 31st March 2019	For the year ended 31st March, 2018
Amount of CSR expenditure to be incurred during the year	109.58	90.39
CSR expenditure incurred during the year		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above (Refer Note - 40)	110.00	90.56
Related party transaction as per Ind AS 24 in relation to CSR expenditure	94.25	-

50. LEASES

50.1 Operating lease commitments - Company as lessee

The Company has entered into operating lease for factory land at Falta. The said lease is under renewal process as it has expired in July, 2017. Thus, the required disclosures under operating lease for lease rentals payable within one year, one year to five years and five years and above could not be made.

The Company has paid ₹ 38.21 during the year (F.Y. 2017-18 ₹ 33.88) towards minimum lease payments.

50.2 Finance lease obligation

The Company has entered into finance lease arrangements in respect of land for terms ranging up to 99 years. The legal title to such lands vests with the respective lessors. There are no restrictions imposed by lease arrangements.

The Company has finance lease contracts and the obligation under finance lease are secured by the lessor's title to the leased assets.

Future minimum lease payments (MLP) under finance lease contracts together with the present value of the net minimum lease payments in respect of Residential Land at Falta are as under:

Particulars	As at 31st March 2019		As at 31st March 2018	
	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP
Within one year *	-	-	-	-
After one year but not more than five years *	-	-	-	-
More than five years	1.63	0.03	1.63	0.03
Total minimum lease payments	1.63	0.03	1.63	0.03
Less: Amounts representing finance charges	1.60		1.60	
Present value of minimum lease payments	0.03		0.03	

* Minimum lease payment has been paid upto 31st March, 2038.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

51. RELATED PARTY DISCLOSURES PURSUANT TO IND AS - 24

51.1 List of relationships:

a) Holding Company

Harsh Investments Private Limited (HIPL)

b) Key Management Personnel

Mr. Harsh Vardhan Kanoria, Chairman & Managing Director, Chief Executive Officer

Mr. Utkarsh Kanoria, Wholetime Director (w.e.f. 24th May, 2017)

Mr. Nawal Kishore Kejriwal, Wholetime Director

Mrs. Malati Kanoria, Non-executive Director

Mr. Navin Nayar, Independent Director

Mr. Padam Kumar Khaitan, Independent Director

Mr. Parag Keshar Bhattacharjee, Independent Director

Mr. Sushil Kumar Dhandhanania, Independent Director

c) Relatives of Key Management Personnel

Mr. Utkarsh Kanoria (Son of Mr. Harsh Vardhan Kanoria)

Mrs. Bimla Kejriwal (Wife of Mr. Nawal Kishore Kejriwal)

d) Entities over which Key Management Personnel and relatives of Key Management Personnel have significant influence

Cheviot International Limited (CIL)

Cheviot Agro Industries Private Limited (CAIPL)

Abhyadoot Finance and Investments Private Limited (AFIPL)

Bright & Shine Micro Products Private Limited (BSMPPL)

Jan Priya Trust

Shashvat Foundation

Cheviot Foundation

e) Post-employment benefit plan entities

Cheviot Company Limited Employees' Provident Fund

Cheviot Company Limited Employees' Gratuity Trust Fund

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

51.2 Transactions carried out during the year :

(₹ in Lakhs)

Transaction/nature of relationship	For the year ended 31 st March, 2019						For the year ended 31 st March, 2018					
	Holding Company	Key Management Personnel	Relatives of Key Management Personnel	Entities over which Key Management Personnel & relatives of Key Management Personnel have significant influence	Post-employment benefit plan entities	Total	Holding Company	Key Management Personnel	Relatives of Key Management Personnel	Entities over which Key Management Personnel & relatives of Key Management Personnel have significant influence	Post-employment benefit plan entities	Total
Sales of goods	-	-	-	0.07	-	0.07	-	-	-	0.98	-	0.98
Jan Priya Trust	-	-	-	-	-	-	-	-	-	0.86	-	0.86
CAIPL	-	-	-	0.07	-	0.07	-	-	-	0.12	-	0.12
Rendering of services	0.48	-	-	5.40	-	5.88	0.48	-	-	9.84	-	10.32
CIL	-	-	-	3.60	-	3.60	-	-	-	8.10	-	8.10
CAIPL	-	-	-	1.44	-	1.44	-	-	-	1.44	-	1.44
HIPL	0.48	-	-	-	-	0.48	0.48	-	-	-	-	0.48
Others	-	-	-	0.36	-	0.36	-	-	-	0.30	-	0.30
Receiving of services.*	-	685.16	-	-	-	685.16	-	720.62	4.35 #	-	-	724.97
Mr. Harsh Vardhan Kanoria	-	342.25	-	-	-	342.25	-	362.71	-	-	-	362.71
Mr. Utkarsh Kanoria	-	274.22	-	-	-	274.22	-	304.73	4.35 #	-	-	309.08
Mr. Nawal Kishore Kejriwal	-	68.69	-	-	-	68.69	-	53.18	-	-	-	53.18
Commission to non-executive/independent directors	-	25.00	-	-	-	25.00	-	20.00	-	-	-	20.00
Mrs. Malati Kanoria	-	5.00	-	-	-	5.00	-	4.00	-	-	-	4.00
Mr. Navin Nayar	-	5.00	-	-	-	5.00	-	4.00	-	-	-	4.00
Mr. Padam Kumar Khaitan	-	5.00	-	-	-	5.00	-	4.00	-	-	-	4.00
Mr. Parag Keshar Bhattacharjee	-	5.00	-	-	-	5.00	-	4.00	-	-	-	4.00
Mr. Sushil Kumar Dhandhania	-	5.00	-	-	-	5.00	-	4.00	-	-	-	4.00
Sitting fees paid to non-executive/independent directors	-	1.10	-	-	-	1.10	-	0.90	-	-	-	0.90
Mrs. Malati Kanoria	-	0.20	-	-	-	0.20	-	0.15	-	-	-	0.15
Mr. Navin Nayar	-	0.25	-	-	-	0.25	-	0.20	-	-	-	0.20
Mr. Padam Kumar Khaitan	-	0.25	-	-	-	0.25	-	0.20	-	-	-	0.20
Mr. Parag Keshar Bhattacharjee	-	0.15	-	-	-	0.15	-	0.15	-	-	-	0.15
Mr. Sushil Kumar Dhandhania	-	0.25	-	-	-	0.25	-	0.20	-	-	-	0.20

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

Transaction/nature of relationship	For the year ended 31st March, 2019					For the year ended 31st March, 2018						
	Holding Company	Key Management Personnel	Relatives of Key Management Personnel	Entities over which Key Management Personnel & relatives of Key Management Personnel have significant influence	Post-employment benefit plan entities	Total	Holding Company	Key Management Personnel	Relatives of Key Management Personnel	Entities over which Key Management Personnel & relatives of Key Management Personnel have significant influence	Post-employment benefit plan entities	Total
Outstanding against receiving of services	-	550.00	-	-	-	550.00	-	586.00	-	-	-	586.00
Mr. Harsh Vardhan Kanoria	-	279.00	-	-	-	279.00	-	295.00	-	-	-	295.00
Mr. Utkarsh Kanoria	-	241.00	-	-	-	241.00	-	276.00	-	-	-	276.00
Mr. Nawal Kishore Kejriwal	-	30.00	-	-	-	30.00	-	15.00	-	-	-	15.00
Outstanding against Commission to non-executive/ independent directors	-	22.50	-	-	-	22.50	-	18.00	-	-	-	18.00
Mrs. Malati Kanoria	-	4.50	-	-	-	4.50	-	3.60	-	-	-	3.60
Mr. Navin Nayar	-	4.50	-	-	-	4.50	-	3.60	-	-	-	3.60
Mr. Padam Kumar Khaitan	-	4.50	-	-	-	4.50	-	3.60	-	-	-	3.60
Mr. Parag Keshar Bhattacharjee	-	4.50	-	-	-	4.50	-	3.60	-	-	-	3.60
Mr. Sushil Kumar Dhandhania	-	4.50	-	-	-	4.50	-	3.60	-	-	-	3.60
Outstanding against Post employment benefit entities	-	-	-	-	61.69	61.69	-	-	-	-	53.92	53.92
Cheviot Company Limited Employees Provident Fund	-	-	-	-	61.69	61.69	-	-	-	-	53.92	53.92

* includes commission paid to Mr. Harsh Vardhan Kanoria - ₹ 279.00 (F.Y. 2017-18 ₹ 295.00), Mr. Utkarsh Kanoria - ₹ 241.00 (F.Y. 2017-18 ₹ 276.00) and Mr. Nawal Kishore Kejriwal - ₹ 30.00 (F.Y. 2017-18 ₹ 15.00).

^ amount below ₹ 500

amount till 23rd May, 2017

There being no doubtful debts, no provision has been made and no amount has been written off or written back during the year in respect of related party transactions.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

51.3 Key Management Personnel Compensation:

Particulars	For the year ended 31st March 2019	For the year ended 31st March, 2018
Short-term employee benefits	677.41	710.00
Post-employment benefits	7.75	10.62
Long-term employee benefits	-	-
	685.16	720.62

52. PARTICULARS RELATING TO DIVIDEND PAID TO NON-RESIDENT SHAREHOLDERS

Particulars	For the year ended 31st March 2019	For the year ended 31st March, 2018
Dividend		
Number of non-resident shareholders	212	149
Number of shares held by them	45,112	36,536
Dividend relating to the year	2017-18	2016-17
Amount of dividend (₹)	0.45	0.37

53. CAPITAL MANAGEMENT

The Company's objective is to maintain a strong capital base to ensure sustained growth in business. The capital management focuses to maintain an optimal structure that balances growth and maximizes shareholder value.

The Company is predominantly equity financed. Further, the Company has sufficient cash, cash equivalents, current investments and financial assets which are liquid to meet the debts.

54. DISCLOSURE ON FINANCIAL INSTRUMENT

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3.11 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

54.1 Financial Asset and Liabilities (Non current and current)

Particulars	As at 31st March 2019			As at 31st March 2018		
	Fair value through statement of profit and loss	Fair value through other comprehensive income	Amortised cost	Fair value through statement of profit and loss	Fair value through other comprehensive income	Amortised cost
Financial assets						
Investments						
- Equity instruments	-	0.32	-	-	487.64	-
- Preference shares *	110.20	-	-	603.20	-	204.00
- Mutual funds	21,547.89	-	-	18,706.96	-	-
- Alternative investments funds	1,450.71	-	-	1,824.69	-	-
- Debentures and bonds	-	-	4,675.80	-	-	4,676.41
Loans	-	-	22.53	-	-	36.71
Trade receivables	-	-	3,186.07	-	-	3,823.62
Cash and cash equivalents	-	-	893.46	-	-	903.37
Other bank balances	-	-	838.78	-	-	194.43
Other financial assets						
- Fixed deposits accounts with bank (maturity over 12 months)	-	-	266.66	-	-	200.29
- Interest accrued on investments, fixed and security deposits	-	-	112.79	-	-	158.63
- Other deposits, advances & receivables	-	-	93.53	-	-	41.81
- Mark to market gain on forward contract receivables	-	-	-	12.13	-	-
Total financial assets	23,108.80	0.32	10,089.62	21,146.98	487.64	10,239.27
Financial liabilities						
Borrowings (including current maturities)	-	-	85.46	-	-	574.20
Trade payables	-	-	517.97	-	-	561.15
Other financial liabilities						
- Long term maturities of finance lease obligations	-	-	0.03	-	-	0.03
- Interest accrued but not due on borrowings	-	-	0.20	-	-	0.33
- Unpaid dividends	-	-	66.31	-	-	76.05
- Fractional bonus share proceeds unclaimed	-	-	1.27	-	-	0.44
- Capital creditors	-	-	57.51	-	-	21.43

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	As at 31st March 2019			As at 31st March 2018		
	Fair value through statement of profit and loss	Fair value through other comprehensive income	Amortised cost	Fair value through statement of profit and loss	Fair value through other comprehensive income	Amortised cost
- Employee related liabilities	-	-	1,239.45	-	-	994.19
- Security deposits and others	-	-	48.00	-	-	32.09
Total financial liabilities	-	-	2,016.20	-	-	2,259.91

* investment in preference shares is net of impairment.

The fair value of investments measured at amortised cost is as under:

Particulars	As at 31st March 2019		As at 31st March 2018	
	Amortised cost	Fair value	Amortised cost	Fair value
Preference shares*	-	-	204.00	208.99
Debentures and bonds	4,675.80	5,342.64	4,676.41	5,490.94

* investment in preference shares is net of impairment.

The management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, short term borrowings, and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The management has assessed that the fair value of floating rate instruments approximate their carrying value.

54.2 Fair value Hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities. The mutual fund / alternative investment fund are valued using the closing net asset value.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. The fair value of all bonds which are not actively traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date. Derivatives are valued using valuation techniques with market observable inputs such as foreign exchange spot rates and forward rates at the end of the reporting period.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty. The fair value of short-term financial assets and liabilities is considered to be approximately equal to its carrying value due to their short term nature. Costs of unquoted equity instruments has been considered as an appropriate estimate of fair value where most recent information to measure fair value is insufficient or if there is a wide range of possible fair value measurements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	As at 31st March 2019			As at 31st March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
(i) Measured at amortised cost						
Investments						
- Preference shares *	-	-	-	-	208.99	-
- Debentures and bonds	-	5,342.64	-	-	5,490.94	-
Loans	-	-	22.53	-	-	36.71
Trade receivables	-	-	3,186.07	-	-	3,823.62
Cash and cash equivalents	-	-	893.46	-	-	903.37
Other bank balances	-	-	838.78	-	-	194.43
Other financial assets						
- Fixed deposits accounts with bank (maturity over 12 months)	-	-	266.66	-	-	200.29
- Interest accrued on investments, fixed and security deposits	-	-	112.79	-	-	158.63
- Other deposits, advances & receivables	-	-	93.53	-	-	41.81
Subtotal	-	5,342.64	5,413.82	-	5,699.93	5,358.86
(ii) Measured at fair value through profit or loss						
Investments						
- Preference shares	110.20	-	-	603.20	-	-
- Mutual funds	21,547.89	-	-	18,706.96	-	-
- Alternative investments funds	1,450.71	-	-	1,824.69	-	-
Other financial assets						
- Mark to market gain on forward contract receivables	-	-	-	-	12.13	-
Subtotal	23,108.80	-	-	21,134.85	12.13	-
(iii) Measured at fair value through other comprehensive income						
Investments						
- Equity instruments	-	-	0.32	487.32	-	0.32
Subtotal	-	-	0.32	487.32	-	0.32
Total financial assets	23,108.80	5,342.64	5,414.14	21,622.17	5,712.06	5,359.18
Financial liabilities						
(i) Measured at amortised cost						
Borrowings (including current maturities)	-	-	85.46	-	-	574.20
Trade payables	-	-	517.97	-	-	561.15

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	As at 31st March 2019			As at 31st March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Other financial liabilities						
- Long term maturities of finance lease obligations	-	-	0.03	-	-	0.03
- Interest accrued but not due on borrowings	-	-	0.20	-	-	0.33
- Unpaid dividends	-	-	66.31	-	-	76.05
- Fractional bonus share proceeds unclaimed	-	-	1.27	-	-	0.44
- Capital creditors	-	-	57.51	-	-	21.43
- Employee related liabilities	-	-	1,239.45	-	-	994.19
- Security deposits and others	-	-	48.00	-	-	32.09
Subtotal	-	-	2,016.20	-	-	2,259.91
Total Financial Liabilities	-	-	2,016.20	-	-	2,259.91

There were no transfers between Level 1 and Level 2 during the year.

* investment in preference shares is net of impairment.

54.3 Financial Risk Management

The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approved by the Directors. The different types of risk impacting the fair value of financial instruments are as below:

a) Credit risk

The credit risk is the risk of financial loss arising from counterparty failing to discharge an obligation. The credit risk is controlled by analysing credit limits and credit worthiness of customers on continuous basis to whom the credit has been granted, after obtaining necessary approvals for credit.

i) Trade receivable

Customer credit risk is managed by the Company subject to Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and major customers are generally from government agencies and in respect of export debtors, terms of shipment is either cash against document or 100% advance against proof of shipments or backed by letter of credit / ECGC coverage. Thus, based on past trends, the company does not foresee any losses in expected credit loss (ECL). The maximum exposure to credit risk at the reporting date is the carrying value of trade receivable disclosed in Note - 15.

ii) Financial instrument and cash deposit

Credit risk is limited as the Company generally invest in deposits with banks and in bonds of companies having high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investments in debentures, bonds, preference shares and mutual fund units. Counterparty credit limits are reviewed by the Company periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

b) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations as they become due.

The Company monitors its risk by determining its liquidity requirement in the short, medium and long term. This is done by drawing up cash forecast for short term and long term needs. The Company manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain mutual funds and fixed deposit which provide flexibility to liquidate. Besides, it generally has certain undrawn credit facilities which can be used as and when required; such credit facilities are reviewed at regular basis.

i) Maturity analysis for financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date -

Particulars	On demand	0 to 6 Months	More than 6 months to 1 year	More than 1 year	Total
As at 31st March, 2019					
Non-derivative					
Borrowings (including current maturities) (Refer Note - 22, 27 & 29)	-	14.91	14.90	55.65	85.46
Trade payables (Refer Note - 28)	-	517.97	-	-	517.97
Other financial liabilities (Refer Note - 23 & 29)	67.58	1,255.40	-	89.79	1,412.77
	67.58	1,788.28	14.90	145.44	2,016.20
As at 31st March, 2018					
Non-derivative					
Borrowings (including current maturities) (Refer Note - 22, 27 & 29)	458.93	14.91	14.90	85.46	574.20
Trade payables (Refer Note - 28)	-	561.15	-	-	561.15
Other financial liabilities (Refer Note - 23 & 29)	76.49	1,026.29	-	21.78	1,124.56
	535.42	1,602.35	14.90	107.24	2,259.91

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of following risk: interest rate risk, foreign currency risk, other price risk. Financial instruments affected by market risk include borrowings, trade receivable and trade payable.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company is exposed to risk due to interest rate fluctuation on its non-current and current borrowings with floating interest rate. Interest rate risk is determined by current market interest rates, projected debt servicing capability and view on future interest rate. Such interest rate risk is actively evaluated and is managed through portfolio diversification and exercise of prepayment/refinancing options, where considered necessary.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

a) Exposure to interest rate risk

Particulars	As at 31st March 2019	As at 31st March 2018
Fixed rate instruments		
Financial assets	5,846.83	5,838.55
Financial liabilities	22.53	37.53
Variable rate instruments		
Financial assets	-	-
Financial liabilities	62.96	536.70

b) Interest rate sensitivity

A change in 50 bps in interest rate would have following impact on profit before tax and other equity -

Particulars	As at 31st March 2019			As at 31st March 2018		
	Sensitivity	Impact on		Sensitivity	Impact on	
		Profit before tax	Other equity		Profit before tax	Other equity
Interest rate increase by	0.50%	(0.31)	(0.20)	0.50%	(2.68)	(1.75)
Interest rate decrease by	0.50%	0.31	0.20	0.50%	2.68	1.75

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period and all other variables remain constant.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has significant foreign currency exposure. To mitigate this risk, foreign exchange exposure against exports are partly hedged by entering into forward contract.

a) Exposure to foreign currency risk

The Company's exposure to foreign currency risk at the end of the reporting period are as follows:

(I) Unhedged foreign currency exposure

Particulars	As at 31st March 2019		As at 31st March 2018	
	USD / Euro	INR	USD / Euro	INR
Financial assets				
<i>Trade receivables</i>				
In USD	18,69,735	1,293.32	6,02,695	392.02
In EURO	2,15,422	167.39	98,511	79.42
<i>Other financial assets</i>				
In USD	6,92,854	479.26	3,73,340	242.84
In EURO	2,741	2.13	1,82,516	147.15
		1,942.10		861.43

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	As at 31st March 2019		As at 31st March 2018	
	USD / Euro	INR	USD / Euro	INR
Financial liabilities				
<i>Borrowings</i>				
In USD	-	-	-	-
<i>Trade payables and other liabilities</i>				
In USD	1,58,464	109.61	1,49,775	97.42
In EURO	4,913	3.82	1,86,331	150.22
		113.43		247.64
Net exposure in foreign currency (Financial assets - Financial liabilities)				
In USD	24,04,125	1,662.97	8,26,260	537.44
In EURO	2,13,250	165.70	94,696	76.35
		1,828.67		613.79

(II) Hedged Foreign Currency Exposure

Particulars	As at 31st March 2019		As at 31st March 2018	
	USD / Euro	INR	USD / Euro	INR
Derivative assets				
<i>Forward contract against trade receivables</i>				
In USD	-	-	18,46,000	1,200.71
In EURO	-	-	-	-
<i>Forward contract against firm commitments</i>				
In USD	-	-	22,54,000	1,466.09
In EURO	-	-	-	-
		-		2,666.80
Derivative liabilities				
<i>Forward contract - against payable</i>	-	-	-	-
<i>Forward contract - against Firm commitments</i>	-	-	-	-
		-		-
Net exposure in foreign currency (Financial assets - Financial liabilities)				
In USD	-	-	41,00,000	2,666.80
In EURO	-	-	-	-
		-		2,666.80

b) Sensitivity analysis

The analysis is based on assumption that the increase/decrease in foreign currency by 5% with all other variables held constant, on the unhedged foreign currency exposure would have following impact on profit before tax and other equity -

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	As at 31st March 2019			As at 31st March 2018		
	Sensitivity	Impact on		Sensitivity	Impact on	
		Profit before tax	Other equity		Profit before tax	Other equity
USD Sensitivity - Increase	5.00%	83.15	54.09	5.00%	26.87	17.57
USD Sensitivity - (Decrease)	5.00%	(83.15)	(54.09)	5.00%	(26.87)	(17.57)
EURO Sensitivity - Increase	5.00%	8.29	5.39	5.00%	3.82	2.50
EURO Sensitivity - (Decrease)	5.00%	(8.29)	(5.39)	5.00%	(3.82)	(2.50)

iii) Other price risk

The Company's exposure to securities price risk arises from investments held by the Company and classified in the balance sheet either at fair value through OCI or at fair value through profit and loss. Having regard to the nature of securities, intrinsic worth, intent and long term nature of securities held by the Company, fluctuation in their prices are considered acceptable and do not warrant any management.

a) Exposure to other market price risk

Particulars	As at 31st March 2019	As at 31st March 2018
Measured at FVTPL		
Investment in preference shares *	110.20	603.20
Investment in mutual funds	21,547.89	18,706.96
Investment in alternative investment funds	1,450.71	1,824.69
	23,108.80	21,134.85
Measured at FVTOCI		
Investment in equity instruments	0.32	487.64
	0.32	487.64
Total	23,109.12	21,622.49

*investment in preference shares is net of impairment.

b) Sensitivity analysis

The analysis is based on assumption that the increase/decrease by 5% with all other variables held constant would have following impact on profit before tax, other comprehensive income and other equity -

Particulars	As at 31st March 2019				As at 31st March 2018			
	Sensitivity	Impact on			Sensitivity	Impact on		
		Profit before tax	Other comprehensive income	Other equity		Profit before tax	Other comprehensive income	Other equity
Market rate increase by	5.00%	1,155.44	0.02	751.70	5.00%	1,056.74	24.38	706.97
Market rate decrease by	5.00%	(1,155.44)	(0.02)	(751.70)	5.00%	(1,056.74)	(24.38)	(706.97)

55. Previous year's figures have been reclassified/regrouped to conform the current year's presentation.

As per our report attached

For **Singhi & Co.**

Chartered Accountants

Firm's Registration No. : 302049E

Ankit Dhelia

Partner

Membership No. 069178

Dated the 27th day of May, 2019

Madhup Kumar Patni

Chief Financial Officer

Aditya Banerjee

Company Secretary

Harsh Vardhan Kanoria

Nawal Kishore Kejriwal

Utkarsh Kanoria

Navin Nayar

For and on behalf of the Board

Chairman and Managing Director,

Chief Executive Officer

Wholtime Director

Director



CHEVIOT COMPANY LIMITED

CIN : L65993WB1897PLC001409

Registered and Administrative Office

24, Park Street, 'Magma House', (9th Floor), Kolkata- 700 016

Ph: +91 82320 87911/12/13; Fax: (033) 2249-7269/2217-2488

Email: cheviot@chevjute.com Website: www.groupcheviot.net

ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting of the above named Company held at The Sitaram Seksaria Auditorium of Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017 on Wednesday, 24th July, 2019 at 11.00 a.m.

Folio/DP ID & Client ID No. :

Name of the Member :

Number of Shares :

Name(s) of joint holder(s), if any :

Address :

.....
Name of Proxy (in BLOCK LETTERS)

.....
Signature of the Member/Proxy
(To be signed at the time of handing over this slip)

Members/Proxies, who come to attend the meeting, are requested to bring their copies of the Annual Report with them.



CHEVIOT COMPANY LIMITED

CIN : L65993WB1897PLC001409

Registered and Administrative Office

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PROXY FORM FORM MGT- 11

[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 the above named Company, holding.....share(s) of the above named Company, hereby appoint:

(1) Name : Address :

E-mail ID : Signature : or failing him/her;

(2) Name : Address :

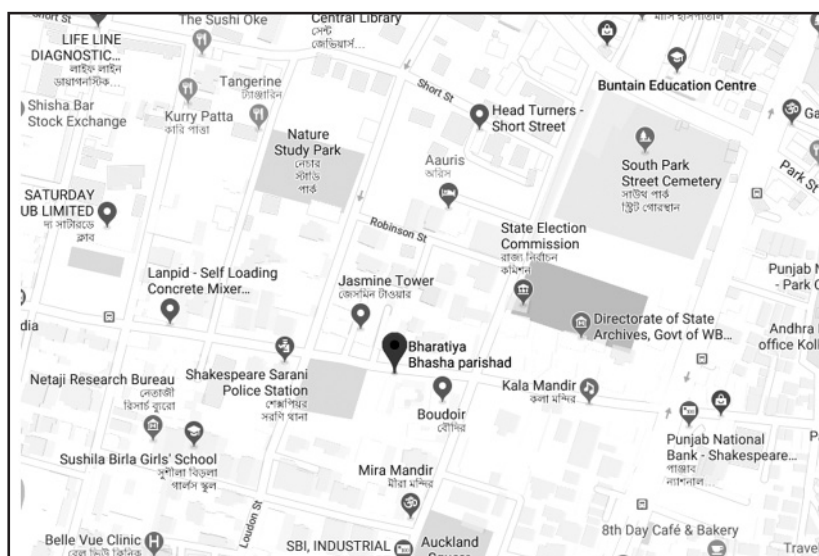
E-mail ID : Signature : or failing him/her;

(3) Name : Address :

E-mail ID : Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the annual general meeting of the Company, to be held on the 24th day of July, 2019 at 11.00 a.m. at the Sitaram Seksaria Auditorium of Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017 and at any adjournment thereof in respect of such resolutions as are indicated below :

ROUTE MAP TO THE VENUE OF THE AGM OF CHEVIOT COMPANY LIMITED



Source : Google Map

VENUE - Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata - 700 017

Route Map not to scale

Resolution No.	Resolutions	Optional*	
Ordinary Business		For	Against
1.	Consider and adopt Audited Financial Statements, Reports of the Board of directors and auditors thereon		
2.	Declaration of dividend on ordinary shares		
3.	Re-appointment of Mr. Utkarsh Kanoria who retires by rotation and, being eligible, offers himself for re-appointment		
Special Business			
4.	Appointment of Mrs. Rashmi Prashad as a Director of the Company		
5.	Appointment of Mrs. Rashmi Prashad as an Independent Director for a term of five years w.e.f. 1st April, 2019		
6.	Re-appointment of Mr. Nawal Kishore Kejriwal as Wholetime Director for further period of one year w.e.f. 1st June, 2019		
7.	To delegate powers to the Board of directors u/s 180(1)(a) of the Companies Act, 2013 to create mortgage and/or charge over the movable and immovable properties of the Company		
8.	To authorise payment of annual managerial remuneration exceeding 5% of the net profits of the Company to the executive directors belonging to the promoter group		
9.	To authorise the Board of directors to make loans and investments exceeding the limits specified u/s 186(2) of the Companies Act, 2013		
10.	To authorise the Board of directors u/s 181 of the Companies Act, 2013 to contribute to bonafide and charitable funds, etc.		
11.	Ratification of the remuneration payable to M/s. D. Radhakrishnan & Co., Cost Accountants, for the financial year ending 31st March, 2020		

Signed thisday of2019

Signature of Shareholder (s).....

Signature of Proxy holder(s).....

Affix
Revenue
Stamp

Note :

- 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 AGM.
- For the resolutions, notes and statement on special business please refer to the Notice of the AGM.
- *3. It is optional to put a 'X' in the appropriate column against the resolutions indicated to the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of member(s) in above box before submission.



A glimpse of the Budge Budge Plant, West Bengal

BOOK POST



**Group
Cheviot**

If undelivered, please return to :

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Magma House (9th Floor)

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