

**Group
Cheviot**

CHEVIOT COMPANY LIMITED

CIN: L65993WB1897PLC001409

Registered & Administrative Office

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

Ph: 8232087911/12/13; Fax (033) 22497269/22172488

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

CCL/SHARE

August 28, 2017

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

Ref: Code No. 526817

Sub: Cheviot Company Limited: Annual Report for the year ended 31st March, 2017

Dear Sir,

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the annual report for the year ended 31st March, 2017 which has been approved and adopted at the annual general meeting of the Company held on Friday, 25th August, 2017 at 11:00 A.M. at The Sitaram Seksaria Auditorium of Bharatiya Bhasha Parisad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017.

Trust you will find the above in order.

Thanking you
Yours faithfully
For **CHEVIOT COMPANY LIMITED**


Aditya Banerjee
Company Secretary

Encl. as stated above.



CHEVIOT COMPANY LIMITED

Annual Report | 2016-17



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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 - *Wholtime Director - DIN 00060314*

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

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

MR. SUSHIL DHANDHANIA - *Independent Director - DIN 00484489*

MR. UTKARSH KANORIA - *Wholtime Director - DIN 06950837 (w.e.f. 24th May, 2017)*

SENIOR MANAGEMENT

MR. DEBDAS MAZUMDAR

MR. DEO KISHAN MOHTA

CHIEF FINANCIAL OFFICER

MR. MADHUP KUMAR PATNI

COMPANY SECRETARY

MR. ADITYA BANERJEE

AUDITORS

JAIN & COMPANY

Chartered Accountants

BANKERS

STATE BANK OF INDIA

CITIBANK N.A.

AXIS BANK LTD.

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

REGISTERED OFFICE

24, PARK STREET

MAGMA HOUSE, (9TH FLOOR)

KOLKATA - 700 016

PHONE : +91 8232087911/12/13

FAX : 033-2249 7269 / 2217 2488

E-MAIL : cheviot@chevjute.com

WEBSITE : www.groupcheviot.net

CIN : L65993WB1897PLC001409

PLANTS LOCATION

19, MEHTA ROAD, BADEKALINAGAR

BUDGE-BUDGE

24-PARGANAS (SOUTH) - 700 137

WEST BENGAL

SECTOR II

FALTA SPECIAL ECONOMIC ZONE

FALTA, 24-PARGANAS (SOUTH) - 743 504

WEST BENGAL

TEN YEARS FINANCIAL HIGHLIGHTS

Year ended	Share capital* (₹ in Lakhs)	Reserves and surplus** (₹ in Lakhs)	Net worth** (₹ in Lakhs)	Revenue from operations (net) (re-grouped) (₹ in Lakhs)	Net profit for the year (₹ in Lakhs)	Earnings per ordinary share (F.V. of ₹ 10/- each) (₹)	Book value per ordinary share (₹)	Dividend per ordinary share (₹)
31-03-2008	451.48	22,321.94	22,773.42	17,937.04	2,199.10	48.75	504.81	10.00
31-03-2009	451.48	23,150.95	23,602.43	18,810.56	1,197.56	26.55	523.19	6.00
31-03-2010	451.48	24,327.30	24,778.78	17,479.49	1,640.98	36.38	549.27	8.00
31-03-2011	451.48	26,543.93	26,995.41	30,738.47	2,883.62	63.92	598.40	12.00
31-03-2012	451.48	28,714.16	29,165.64	29,232.80	2,886.91	63.99	646.51	13.00
31-03-2013	451.48	30,962.77	31,414.25	28,905.85	3,071.42	68.08	696.35	15.00
31-03-2014	451.48	32,817.67	33,269.15	27,843.13	2,680.38	59.42	737.47	15.00
31-03-2015	451.48	35,243.36	35,694.84	26,699.53	3,458.09	76.65	791.24	17.00
31-03-2016	451.48	41,357.95	41,809.43	34,303.80	3,647.47	80.85	926.78	17.00
31-03-2017	451.48	45,488.97	45,940.45	39,021.16	4,555.64	100.98	1,018.35	1.00

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

** Reserves and surplus and Net worth include revaluation reserves arising on revaluation of certain fixed assets.

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 Friday, 25th August, 2017 at 11 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, 2017 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, 2017.
3. To appoint a director in place of Mrs. Malati Kanoria (holding DIN 00253241), who retires by rotation and, being eligible, offers herself for re-appointment.
4. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s Singhi & Co., Chartered Accountants (Firm Registration No. 302049E) be and is hereby appointed as the statutory auditors of the Company in place of M/s Jain & Co., Chartered Accountants, the retiring auditors whose tenure expires at this annual general meeting, to hold office for a term of five consecutive years from the conclusion of this annual general meeting until the conclusion of the sixth consecutive annual general meeting on a remuneration to be mutually agreed upon with the Board of Directors subject to ratification by the members at every annual general meeting.”

Special Business :

5. 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 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), Mr. Utkarsh Kanoria (holding DIN 06950837) who was appointed as an Additional Director by the Board of Directors of the Company and who holds office as such up to the date of this annual general meeting be and is hereby appointed as a Director of the Company.”

6. To consider and, if thought fit, to pass the following resolution as an Ordinary 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 appointment of Mr. Utkarsh Kanoria (Mr. U. Kanoria) (holding DIN 06950837), as Wholetime Director of the Company for a period of five years with effect from 24th May, 2017, 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 appointment (a draft of which initialed by the Chairman of the Nomination and Remuneration Committee for identification was laid on the table) to be issued to Mr. U. Kanoria and also given in the statement annexed to this notice.

FURTHER RESOLVED THAT in the event of absence or inadequacy of profits in any financial year during the aforesaid period of five years, the Company will pay to Mr. U. Kanoria 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.”

NOTICE (Contd.)

7. 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/- plus applicable taxes and re-imbursment 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, 2018 be and is hereby ratified.”

Kolkata, 24th May, 2017

CIN : L65993WB1897PLC001409

Registered Office:

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

Kolkata- 700 016

Ph: 8232087911/12/13; Fax: (033) 2249-7269/2217-2488

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

By Order of the Board,

CS Aditya Banerjee

Company Secretary

NOTES :

- The Register of Members and the Share Transfer Register of the Company will remain closed from Saturday, 19th August, 2017 to Friday, 25th August, 2017 (both days inclusive).**
- 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 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 fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member.
- Members/Proxies are requested to bring the attendance slip along with their copy of Annual Report with them at the AGM.
- Corporate members intending to send their authorised representatives to attend the AGM are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote at the AGM.
- 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.
- 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.
- Dividend, as recommended by the Board of Directors, if declared at the AGM, will be paid on 30th August, 2017 to those members, whose names shall appear in the Company's Register of Members at the close of working hours of the Company on Friday, 16th June, 2017. In respect of the shares held in electronic 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 Friday, 16th June, 2017 as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited.
- Dividend which remain unpaid / unclaimed over a period of seven years will have to be transferred by the Company to "Investor Education and Protection Fund" (IEPF) of the Central Government under Sections 124 and 125 of the Companies Act, 2013. Accordingly, all unpaid / unclaimed amounts in respect of dividend paid by the Company for the financial year ended 31st March, 2009 have been transferred to IEPF. Unpaid / unclaimed dividend for the financial year ended 31st March, 2010 will become due for transfer during August, 2017. Shareholders are advised to encash the unpaid dividend warrants before transfer to IEPF.

NOTICE (Contd.)

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 have not been paid or claimed for seven consecutive years or more shall be transferred to an IEPF Suspense Account after complying with the procedure laid down under the Rules. Members are requested to claim their unclaimed dividend immediately to avoid transfer of the underlying shares to the IEPF. The shares transferred to the IEPF Authority can be claimed back by the member from IEPF Authority after complying with the procedure prescribed under the "Rules".
10. 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 Participants (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.
11. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company by 12th August, 2017, so that proper information can be made available at the AGM.
12. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order or names are requested to send the share certificates to the Company's Registrar and Share Transfer Agent for consolidation into a single folio.
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(1)(a) of the Companies Act, 2013 and Rule 3(1) of 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 appointment / 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) Mrs. Malati Kanoria (Mrs. Kanoria), (holding DIN 00253241), who was appointed as a director of the Company w.e.f. 9th May, 2014, retires from the Board by rotation at the forthcoming AGM, and being eligible, offers herself for re-appointment.
 Mrs. Kanoria, aged 60 years, is an arts graduate and holding the position of Managing Director of Cheviot International Limited. The Company will be benefitted by her rich experience and knowledge.
 No. of meetings of the Board attended during the year - 5 (five).

NOTICE (Contd.)

Mrs. Kanoria does not hold directorship and /or membership of Committees of the Board in any other listed company.

Number of Share held in the Company: 2,85,150 Shares

Mrs. Kanoria is related to Mr. H.V. Kanoria and Mr. Utkarsh Kanoria. None of the other directors and key managerial personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item no. 3 of the notice.

- b) Mr. Utkarsh Kanoria has been appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 24th May, 2017. The Board of directors recommended his appointment on the Board as Wholetime Director of the Company with effect from 24th May, 2017.

Mr. Utkarsh Kanoria, aged 24 years (holding DIN 06950837), has received his degree from the Carnegie Mellon University at United States and joined Cheviot Company Limited as President in August, 2014. He is also serving as a committee member of the Indian Jute Mills Association.

No. of meetings of the Board attended during the year - NIL (appointed on 24th May, 2017).

Mr. Utkarsh Kanoria does not hold directorship and /or membership of Committees of the Board in any other listed company.

Number of Share held in the Company: 1,70,191 Shares

Mr. Utkarsh Kanoria is related to Mr. H. V. Kanoria and Mrs. M. Kanoria. None of the other directors and 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 and 6 of the notice.

15. Voting through electronic means :

- I. In compliance with 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 the facility to members 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).
- 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 by 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 Tuesday, 22nd August, 2017 (10:00 am) and end on Thursday, 24th August, 2017 (5:00 pm). During this period, members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date, Friday, 18th August, 2017, 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:
 - A. In case a member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)] :
 - i. Open the PDF file viz; "Cheviot Company Limited remote e-voting.pdf" attached to the e-mail with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password.
 - ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - iii. Click on Shareholder – Login
 - iv. Put user ID and password as initial password noted in step (i) above. Click Login.

NOTICE (Contd.)

- v. Password change menu appear. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vi. Home page of remote e-voting will open. Click on remote e-voting : Active Voting Cycles.
 - vii. Select “EVEN” of “Cheviot Company Limited”.
 - viii. Now you are ready for remote e-voting as Cast Vote page opens.
 - ix. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - x. Upon confirmation, the message “Vote cast successfully” will be displayed.
 - xi. Once you have confirmed your vote on the resolution, you will not be allowed to modify your vote.
 - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail to evoting@chevjute.com with a copy marked to evoting@nsdl.co.in.
- B. In case a member receives physical copy of the notice of AGM [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy] :
- i. A separate letter containing remote e-voting particulars together with notice shall be despatched at the address of the member as per records available with the Company. The remote e-voting particulars shall include :

EVEN (Remote e-voting Event Number);	USER ID;	PASSWORD
--------------------------------------	----------	----------
 - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any query, you may refer the frequently asked questions (FAQs) for members and remote e-voting user manual for members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing User ID and password for casting your vote.
- VIII. 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).
- IX. The voting rights of members shall be in proportion to their shares of the paid up ordinary share capital of the Company as on the cut-off date, Friday, 18th August, 2017.
- X. Any person, who acquires share(s) of the Company and becomes member of the Company after despatch of the notice of AGM and holding shares as on the cut-off date, Friday, 18th August, 2017, 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 for casting your vote. If you forgot your password or your login is disabled upon five unsuccessful attempts to key-in the correct password, you can reset your password by using “Forgot user ID/password” option available on www.evoting.nsdl.com or contact NSDL at the toll free no. : 1800-222-990.
- XI. 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, Friday, 18th August, 2017 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XII. Mr. Gaurav Dasgupta, 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.

NOTICE (Contd.)

- XIII. 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.
- XIV. 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 result of the voting forthwith.
- XV. 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 year ended 31st March, 2017 comprising of notice, directors' report, auditors' report and financial statements 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 year ended 31st March, 2017 along with attendance slip and proxy form are 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. The statement pursuant to Section 102 of the Companies Act, 2013, relating to the special business set out in the notice, is annexed hereto.
19. Route map to the venue of the AGM is annexed for the convenience of the members.
20. In respect of Item No. 4 regarding appointment of statutory auditors of the Company, the members are hereby informed that effective from 1st April, 2014, the provisions of Section 139 of Companies Act, 2013 (the Act) restrict the re-appointment of an audit firm as statutory auditors beyond two terms of five consecutive years. The Act also provided for a transitional period of three years.

M/s Jain & Co. Chartered Accountants, the existing statutory auditors will be completing the transitional period of three years at the conclusion of this annual general meeting.

Based on the recommendation of the Audit Committee, the Board of directors proposes the appointment of M/s Singhi & Co., Chartered Accountants (Firm Registration No. 302049E) as the statutory auditors of the Company. M/s Singhi & Co. has given their consent to act as statutory auditors, if appointed, and have also furnished a declaration as required under Section 141(3)(g) of the Act.

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

STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item No. 5**

Mr. Utkarsh Kanoria, aged 24 years (holding DIN 06950837), who was appointed as an additional director of the Company on 24th May, 2017 pursuant to the provisions of Section 161 of the Companies Act, 2013 (the Act) read with Article 131 of the Articles of Association of the Company, holds office up to the date of the forthcoming AGM of the Company.

In terms of Section 160 of the Act, the Company has received Notice in writing along with a deposit of ₹ 1 (One) Lakh from a member signifying his intention to propose the candidature of Mr. Utkarsh Kanoria for the office of Director and Mr. Utkarsh Kanoria has consented to act as such, if appointed.

NOTICE (Contd.)

Brief details of Mr. Utkarsh Kanoria seeking appointment at the ensuing AGM and information as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been disclosed above at Sl. No. 14(b) of the notice.

Mr. Utkarsh Kanoria is a relative of Mr. H. V. Kanoria and Mrs. M. Kanoria. None of the other directors and key managerial personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

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

Item No. 6

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors had appointed Mr. Utkarsh Kanoria as Wholetime Director of the Company with effect from 24th May, 2017 for a period of five years, 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 appointment to be issued to Mr. Utkarsh Kanoria.

Mr. Utkarsh Kanoria has received his degree from the Carnegie Mellon University at United States and had joined Cheviot Company Limited as President in 2014. The Company will be benefitted by his management abilities.

The principal terms and conditions including the remuneration governing the appointment of Mr. Utkarsh Kanoria are set out below :

1. Salary : ₹ 1,75,000 per month or such other sum not exceeding ₹ 4,00,000 per month as may be determined by the Board of Directors from time to time.
2. Commission : Commission may be payable at the absolute discretion of the Board of directors of such amount as may be approved by the Board of directors for each year.
3. Perquisites: Mr. Utkarsh Kanoria shall also be entitled to furnished residential accommodation or house rent allowance, furnishing allowance, gas, electricity, reimbursement of medical expenses incurred in India or abroad including hospitalisation, surgical charges, for self and family and travel relating thereto, leave travel concession for self and family, fees of clubs, personal accident insurance, company maintained car, telephone at residence and any other perquisite as may be decided by the Board of Directors from time to time. 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 the perquisites will be subject to the overall ceilings laid down under Section 197 of the Companies Act, 2013 (the Act) read with Schedule V thereto.
4. Mr. Utkarsh Kanoria shall not be paid any sitting fee for attending the meeting of the Board or any Committee thereof.
5. In the event that the Company in any financial year during the aforesaid period, has no profits or its profits are inadequate, the remuneration payable to Mr. Utkarsh Kanoria 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.
6. Mr. Utkarsh Kanoria 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 Board of directors from time to time.
7. Mr. Utkarsh Kanoria and the Company shall have right to terminate the appointment by giving three months' prior notice in writing to the other.

This abstract of the terms of appointment of Mr. Utkarsh Kanoria as Wholetime Director as set out above and brief details of Mr. Utkarsh Kanoria seeking appointment at the ensuing AGM disclosed above at Sl. No. 14(b) may also be regarded as a disclosure under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A copy of the draft letter of appointment referred to in the proposed Ordinary Resolution 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.

NOTICE (Contd.)

Mr. Utkarsh Kanoria is a relative of Mr. H. V. Kanoria and Mrs. M. Kanoria. None of the other directors and key managerial personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

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

Item No. 7

As recommended by audit committee, the Board of directors had 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/- plus applicable taxes and re-imbursement 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, 2017 and ending on 31st March 2018 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 key managerial personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommend passing of the proposed Ordinary Resolution as set out at Item No. 7 of the notice.

Kolkata, 24th May, 2017

CIN : L65993WB1897PLC001409

Registered Office:

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

Kolkata- 700 016

Ph: 8232087911/12/13; Fax: (033) 2249-7269/2217-2488

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

By Order of the Board,

CS Aditya Banerjee

Company Secretary

DIRECTORS' REPORT

Dear Members,

(₹ in Lakhs)

The directors have pleasure in presenting their Annual Report on the business and operations of the Company together with the Audited Standalone Financial Statements for the financial year ended 31st March, 2017.

1. FINANCIAL SUMMARY

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Operating results after charging depreciation and amortisation show a profit of	3,760.07	3,826.64
Add : Other income	2,334.79	1,271.66
Add: Exceptional item: Indirect taxes for earlier year	60.51	-
Profit before tax	6,155.37	5,098.30
From which have been deducted :		
Current tax	1,465.00	1,453.00
Tax for earlier years (net)	(0.06)	(0.39)
Deferred tax	134.79	(1.78)
Profit after tax	4,555.64	3,647.47
Surplus as per last balance sheet	584.50	535.07
Making a total of	5,140.14	4,182.54
Which has been appropriated by the directors as under:		
Interim dividend	-	766.91
Tax on interim dividend	-	156.13
Transferred to SEZ re-investment reserve account	300.00	25.00
Transferred to general reserve	4,200.00	2,650.00
Balance surplus carried to balance sheet	640.14	584.50
	5,140.14	4,182.54

2. DIVIDEND

The Board of Directors have recommended a dividend of ₹ 1/- per ordinary share of face value of ₹ 10/- each (i.e. 10%) for the financial year ended 31st March, 2017, aggregating to ₹ 45.11. Proposed dividend will be recognised as liability after approval of the members at the ensuing annual general meeting.

3. BUY BACK OF ORDINARY SHARES

After considering several factors and benefits to the members, the Board of directors have approved the proposal to Buy Back of up to 2,00,000 fully paid up ordinary shares of ₹ 10/- each (representing 4.43% of the total number of ordinary share capital of the Company as at 31st March, 2017 at the Buy Back price of ₹ 1,500/- per ordinary share aggregating to ₹ 3,000. The Board is of the view that Buy Back will help the Company to return surplus cash to the members of the Company, holding shares broadly in proportion to their shareholding, thereby enhancing the overall return to the members.

4. TRANSFER TO RESERVES

Your directors propose to transfer an amount of ₹ 300 to the SEZ re-investment reserve account and ₹ 4,200 to the general reserve out of the profit for the year.

DIRECTORS' REPORT (Contd.)

(₹ in Lakhs)

5. OPERATIONS AND STATE OF COMPANY'S AFFAIRS

Sales, profitability and earnings per ordinary share show under noted position during the year under review as compared to previous year :

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Gross sales	38,532.74	33,880.62
Export sales (C.I.F. value)	11,519.41	10,553.34
Operating profit	3,760.07	3,826.64
Other income	2,334.79	1,271.66
Profit before tax	6,155.37	5,098.30
Profit after tax	4,555.64	3,647.47
Earnings per ordinary share of face value of ₹ 10 (in ₹)	100.98	80.85

The overall performance of the Company during the year under review was satisfactory. The demand in domestic sector particularly from government was regular and Company was able to run the plant on all working days. However, due to non-availability of adequate labour force, the plant could not run at full capacity. The operating profit was marginally lower by ₹ 66.57 due to increase in cost of other inputs, being ₹ 3,760.07 as compared to ₹ 3,826.64 in the previous year. However, profit after tax was higher at ₹ 4,555.64 as compared to ₹ 3,647.47 during the previous year mainly on account of increase in other income which was largely in the nature of ad-hoc income from sale of old bonds as also income derived from few investments matured during the year. Such ad-hoc increase in other income may not be sustainable.

On export front, CIF value of export sales was higher by ₹ 966.07, being ₹ 11,519.41 during the year under review as against ₹ 10,553.34 during previous year. The Company's export oriented unit at Falta SEZ has taken several initiatives to inter-alia export conventional and diversified hessian fabrics and has been able to register growth both in terms of quantity and value mainly by widening the customer base. Export of shopping bag is also showing signs of improvement and Company has been getting repeat orders and making efforts to penetrate all around in overseas markets.

6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**a) Industry structure and developments**

As per current norms under Jute Packaging Materials (Compulsory use in packing commodities) Act, 1987 (JPMA), 90% of total food grains and 20% of sugar are to be packed in Jute bags. Of late, Jute Industry is surprised to note the recommendation made by the Standing Advisory Committee on jute to Government of India for dilution of compulsory packaging norm for food grains from 90% to 85% in the 2017-18 procurement season. Industry earnestly pleads to the Government to consider continuation of existing norms of packaging without any dilution in the larger interest of Jute Industry which has been providing livelihood to large number of farmers and workers.

In the wake of good weather conditions, the availability of raw jute was comfortable due to better crop in Jute Season 2016-17 and prices which were prevailing at unprecedented higher levels, gradually settled down to reasonable level.

In order to promote the exports of Jute Goods from India, Government is continuing the rewards in the form of duty free scrips of 5% of realised FOB value in free foreign currency under Merchandise Exports from India Scheme (MEIS). Besides, National Jute Board is also continuing with various workers' welfare schemes. Incentive scheme for acquisition of plant and machinery valid up to 31st March, 2017 is expected to be further extended.

b) Opportunities and threats*Opportunities*

- Jute products being environmental friendly and having bio-degradable characteristics of natural jute fiber have an edge over other packing materials;

DIRECTORS' REPORT (Contd.)

(₹ in Lakhs)

- Use of Jute goods in floor coverings, jute geo-textiles, shopping bags will provide ample opportunity to boost the demand.

Threats

- Attempt initiated for dilution of JPMA may lead to its phase out in future;
- Paucity of workers preventing optimum utilisation of capacity;
- Lack of incentive to farmers to take up jute cultivation on regular basis affects 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 requirements as required by Accounting Standard -17 are not applicable in respect of business segment. However, the geographical segments considered for disclosure are as under :

	Within India		Outside India		Total	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Sales	27,013.33	23,327.28	11,519.41	10,553.34	38,532.74	33,880.62
Carrying amount of segment assets	49,574.75	45,078.37	–	–	49,574.75	45,078.37
Capital expenditure	1,030.90	663.42	–	–	1,030.90	663.42

d) Outlook

Jute crop for the season 2017-18 is expected to be better mainly on account of good weather conditions. Moreover, the carryover from last season being comfortable would provide more availability of raw jute. These positive factors are expected to keep the prices of raw jute under check and marginally lower than last year. However, import of raw jute will depend mainly on export policy of Bangladesh Government and various other allied factors.

Demand of Jute Goods is likely to remain good. The efforts being made by the Company to increase its customer base in overseas markets are expected to fetch reasonable export orders.

The Company will continue its business strategy of catering to demand from both domestic and overseas markets and will strive to control costs with focus on all round business development. Barring unforeseen circumstances, the outlook for the current year appears to be promising.

e) Risks and concerns

We reiterate the key elements of business risks identified by the Company and its mitigation measures taken by the Company :

- *Competition risk and mitigation measures*

Bangladesh jute manufacturers enjoy substantial cost advantage in the form of lower wage and power cost vis a vis Indian manufacturers of jute products. Thus they continue to provide strong competition in the international market. In order to survive and mitigate the said risk, the Company is making continuous efforts to improve operational efficiency and reduce costs in all possible areas.

- *Economic environment and market conditions risk and mitigation measures*

Alternate packaging materials like HDPE/Polypropylene being cost effective are used as substitute in the packaging market. To mitigate this risk, the Company is making efforts to develop light products of jute goods with less jute content, manufacture diversified jute products including shopping bags.

- *Fluctuations in foreign exchange risk and mitigation measures*

Fluctuation in currency does impact margins of the Company. Recent rupee appreciation has impacted the exports adversely. To mitigate this risk, foreign exchange exposure against exports and imports are hedged by entering into forward contract.

- *Business operation risk and mitigation measures*

Few business operation risks and their mitigation plan are stated below :

DIRECTORS' REPORT (Contd.)

(₹ in Lakhs)

Revenue concentration : The Company generates revenue from domestic as well as export sales. Demand in domestic market is largely dependent on government orders. In export market, India face severe competition from Bangladesh. To overcome this risk, the Company is making efforts to increase its customer base by establishing contacts and visiting foreign buyers, focussing on manufacture of value added and diversified jute products including shopping bags.

Raw Materials : Availability of raw jute depends on crop size which in turn largely depends on weather conditions. The Company follows a policy of regular procurement of raw jute in a planned manner linked with production and order position to mitigate the risk of shortage of raw jute, if any.

Manpower : Shortage of workers and the rate of absenteeism continue to provide challenge leading to idle capacity. To mitigate such risk, the Company is continuously providing required in-house training to freshers and suitably incentivising good performers from time to time. Besides, the Company also carry out modernisation and automation of manufacturing process, wherever possible.

f) Internal control systems and their adequacy

The Company has implemented adequate procedures and internal controls which provide reasonable assurance for reliability of financial reporting. The audit committee periodically reviews such procedures and controls and ensures that internal controls operate effectively.

The internal auditor of the Company carries out necessary checking in accordance with the aforesaid procedures and controls and submits their reports. The observations of the internal auditor are circulated to the senior managerial personnel for their perusal and taking corrective measures, wherever required. The audit committee reviews the findings of the internal auditor and statutory auditors and monitors the action taken report.

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 sale of jute goods was at ₹ 38,532.74 during the year as compared to ₹ 33,880.62 during previous year;
- Operating profit of the Company have marginally decreased by ₹ 66.57 due to increase in cost of other inputs, being ₹ 3,760.07 during the year under review as against ₹ 3,826.64 in previous year;
- Finance cost was ₹ 61.85 during the year under review as against ₹ 81.63 in previous year;
- Inventories were valued at ₹ 6,004.57 as at 31st March, 2017 as against ₹ 5,928.92 as at 31st March, 2016. Increase in inventories is mainly due to higher stock of raw material;
- The Company has invested ₹ 1,030.90 in fixed assets inclusive of capital advances given 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. Shortage of labour and absenteeism continue to remain areas of concern.

The Company's efforts to impart training to workers employed at new scale of pay to bring about all round development in their working knowledge continues as per planned programmes and policies. The Company also provides benefits and facilities to deserving staffs under its various staff welfare schemes.

As on 31st March, 2017, the Company had 3883 employees on its rolls.

The Company's policy on prevention, prohibition and redressal of complaints / grievances on the sexual harassment of women at work places 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.

DIRECTORS' REPORT (Contd.)

i) Cautionary statement

Statement made in this section of the report is based on the prevailing position in the jute industry and market conditions. Actual results might differ from what we perceive with respect to Company's outlook and performance.

7. CORPORATE GOVERNANCE

The Company has complied with the corporate governance requirements as stipulated in Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Corporate Governance Report and a certificate received from the statutory auditors M/s. Jain & Co., Chartered Accountants confirming compliance is given in **Annexure-I**, forming part of this report.

8. EXTRACT OF THE ANNUAL RETURN

In compliance with Section 92(3) of the Companies Act, 2013, the extract of the annual return in Form MGT-9 is given in **Annexure-II**, forming part of this report.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of investments made by the Company have been disclosed in Note 12 and Note 15 to the financial statements for the financial year ended 31st March, 2017.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions with related parties were carried out in the ordinary course of business and on arm's length basis and are in compliance with the applicable provisions of the Act and the Listing Regulations. There are no materially significant related party transaction made by the Company with promoters, directors or key managerial personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. All related party transactions are placed before the Audit Committee. Omnibus approval is obtained for the transactions which are repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

There was no material contract or arrangement or transaction at arm's length basis with a related party during the year under review. Therefore, disclosure in Form AOC-2 is not required.

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

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo, as required in terms of Section 134(3)(m) of the Companies Act, 2013 and the Rules framed thereunder, are provided in **Annexure-III**, forming part of this Report.

12. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Board has formulated a risk management policy identifying therein the elements of risk and concern that may threaten the existence of the Company. Audit Committee and the Board review the risk elements including business risks and mitigation procedures periodically. Areas relating to risks/concern/threat have been disclosed in this report under the head 'management discussion and analysis report'.

13. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has undertaken activities in accordance with CSR Policy (available on Company's website: www.groupcheviot.net) directly and through eligible trusts having established track records. The annual report on CSR activities and expenditure particulars as required under Sections 134 and 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 are given in **Annexure IV**, forming part of this report.

DIRECTORS' REPORT (Contd.)

14. ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY

Vigil mechanism / whistle blower policy as formulated by the Company allows intimation by the affected person in good faith of concern or misconduct through a written communication. Audit Committee reviews the vigil mechanism for redressal of the complaint and also allows direct access to the Chairman of the Audit Committee in exceptional cases. The Whistle Blower Policy is available on the Company's website (www.groupcheviot.net).

15. DIRECTORS

There was no change in the composition of the Board of directors during the year under review.

Mrs. Malati Kanoria (holding DIN 00253241) retires from the Board by rotation at the forthcoming AGM, and being eligible, offers herself for re-appointment.

Mr. Utkarsh Kanoria (holding DIN 06950837), who has been associated with the Company since 8th August, 2014 in the position of President was appointed by the Board as an additional director on 24th May, 2017, whose term of office expires at the ensuing annual general meeting. His candidature has been proposed by a member for the position of a Director of the Company, whose period of office shall be liable to determination by retirement of directors by rotation. Moreover, the Board has also appointed Mr. Utkarsh Kanoria as Wholetime Director of the Company with effect from 24th May, 2017.

The appointment of Mr. Utkarsh Kanoria is subject to approval of the members at the ensuing annual general meeting for which appropriate resolutions have been included at Item No 5 and 6 of the Notice convening the annual general meeting. The Board recommends passing of the same.

Brief details of said directors seeking appointment/re-appointment have been given in the notice convening AGM.

The Company has received necessary declarations from each independent director under Section 149(7) of the Companies Act, 2013 (the Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") confirming that they meet the criteria of independence laid down in the Act and Listing Regulations.

In terms of the provisions of the Act and Listing Regulations and the Guidance Note on the Board Evaluation issued by SEBI vide circular dated 5th January, 2017, the performance evaluation of the members of the Board, the Board level committees and Board as a whole were carried out at the meeting of the Independent Directors and the Board. The criteria for said evaluation has been stated in the corporate governance report annexed hereto.

16. 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) evaluate the composition and diversity of the Board and identify persons who are qualified to become directors in accordance with the criteria laid down by the Board of directors of the Company. NRC recommend to the Board about the appointment/re-appointment of eligible candidates including their terms of appointment and remuneration. The remuneration policy including criteria for determining qualifications, positive attributes, independence of a director have been disclosed in **Annexure-V**, forming part of this Report.

17. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS

During the year under review, there is no significant and material order passed by the regulators or courts impacting the going concern status of the Company and its future operations.

18. 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;

DIRECTORS' REPORT *(Contd.)*

- (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.

19. 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 corporate governance report.

20. COMPOSITION OF AUDIT COMMITTEE

The Board has constituted the audit committee with three independent directors. More details on the audit committee are given in the corporate governance report.

21. KEY MANAGERIAL PERSONNEL

There was no change in the Key Managerial Personnel during the year under review. Mr. Utkarsh Kanoria was appointed as Wholetime Director of the Company w.e.f. 24th May, 2017.

22. PARTICULARS OF EMPLOYEES

The ratio of the remuneration of each director to the median employee's remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rules framed thereunder have been disclosed in **Annexure-VI**, forming part of this Report.

23. PUBLIC DEPOSITS

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

24. 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 material order was passed by the regulators or courts or tribunals which impact the going concern status and its future operations.

25. STATUTORY AUDITORS

The term of office of M/s Jain & Co., Chartered Accountants (Firm Registration No. 302023E) as statutory auditors of the Company will complete at the conclusion of the ensuing annual general meeting of the Company.

DIRECTORS' REPORT (Contd.)

Accordingly, the Board of directors of the Company have recommended the appointment of M/s Singhi & Co, Chartered Accountants (Firm Registration No. 302049E) as the statutory auditors of the Company, subject to approval of the members for which a resolution has been included at Item No 4 of the Notice convening the annual general meeting. The Board recommends passing of the same.

A certificate from M/s Singhi & Co. has been received to the effect that they meet the criteria laid down under Section 141 of the Companies Act, 2013 and are willing to be appointed as statutory auditors of the Company. Moreover, they have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Board places on record its appreciation to the services rendered by M/s Jain & Co., during their tenure as the statutory auditors of the Company.

26. COST AUDITORS

The cost accounting records maintained by the Company for the current financial year ending on 31st March, 2018 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/- plus applicable taxes and re-imbursment of out of pocket expenses incurred by them.

The resolution included at Item No. 7 of the Notice convening the annual general meeting seek members' ratification to the remuneration payable to the cost auditor.

27. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules framed thereunder, the Company has appointed M/s MR & Associates, a firm of practicing company secretaries (CoP 2551) as the secretarial auditor for the year ended 31st March, 2017. The secretarial audit report dated 24th May, 2017 is attached as **Annexure-VII** to this report.

28. ACKNOWLEDGEMENTS

The directors place on record their appreciation for the valued contribution made by the employees at all levels. The Directors also sincerely thank its customers, suppliers, financial institutions, banks, government authorities, business associates and all stakeholders for their continued co-operation and support and faith reposed in the Company.

For and on behalf of the Board

Harsh Vardhan Kanoria

Chairman and Managing Director,

Chief Executive Officer

DIN : 00060259

Kolkata, 24th May, 2017

ANNEXURE I TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

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

1. Company's philosophy on Code of Governance

The Company's philosophy on Code of Governance is aimed at conducting its affairs in fair and ethical manner to attain sustained growth and enhanced value for shareholders, customers, creditors and employees. Your Company is committed to integrity, high standards in product quality, transparency in operations and improved productivity.

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. At the meeting of the Board of directors held on 24th May, 2017, Mr. Utkarsh Kanoria (son of Mr. Harsh Vardhan Kanoria and Mrs. Malati Kanoria) was appointed as Wholetime Director w.e.f. 24th May, 2017. Accordingly, the strength of Board of directors of the Company increased to 8 (eight) directors, of whom 3 (three) directors belong to the promoter group [one is a woman non-executive director and two are executive directors] and 5 (five) other directors [one is an executive director (wholetime director) and four are independent directors]. Each independent director has confirmed that the total number of independent directorship held by them during the previous year did not exceed seven listed companies.

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 2017.

Name of the Directors	Position	Attendance Particulars		No. of other directorship(s) and other Board committee membership(s)/chairmanship(s) held		
		At Board Meeting(s)	At Last AGM held on 29th July, 2016	Other Board Directorship(s) #	Other Board Committee Membership(s) *	Other Board Committee Chairmanship(s) *
Mr. Harsh Vardhan Kanoria	Chairman and Managing Director, Chief Executive Officer (Promoter Category)	5	Yes	4	Nil	Nil
Mr. Nawal Kishore Kejriwal	Wholetime Director	3	Yes	1	Nil	Nil
Mr. Navin Nayar	Independent Director	5	Yes	9	3	1
Mr. Parag Keshar Bhattacharjee	Independent Director	4	No	3	Nil	Nil
Mr. Sushil Dhandhanania	Independent Director	3	Yes	16	Nil	Nil
Mr. Padam Kumar Khaitan	Independent Director	3	Yes	10	5	2
Mrs. Malati Kanoria	Non-Executive Director (Promoter Category)	5	Yes	4	Nil	Nil

Includes alternate directorship and directorship in Private Limited companies and foreign companies.

* Committees include only audit committee and stakeholders relationship committee.

c) Number of Board meetings held and dates on which held

5 (five) meetings of the Board were held during the year on 25th May, 2016, 29th July, 2016, 9th November, 2016, 31st January, 2017 and 20th February, 2017. The maximum gap between two meetings was less than one hundred and twenty days. During the year, as per the requirement of Schedule IV to the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations, a separate meeting of the independent directors was held on 17th March, 2017 which was attended by all the independent directors.

ANNEXURE I TO THE DIRECTORS' REPORT (Contd.)

d) 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. H.V. Kanoria, Chairman and Managing Director of the Company.

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

Mrs. Malati Kanoria, non-executive Director, holds 2,85,150 shares of the Company. None of the independent directors holds any share in the Company.

f) 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 (www.groupcheviot.net). 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.

g) Other provisions

The Company has proper systems to enable the Board to periodically review compliance reports prepared by the Company in respect of laws applicable to the Company, as well as steps taken by the Company to rectify any instances 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;
- Recommend the appointment, remuneration and terms of appointment of auditors to the Board;
- Examination of quarterly and annual financial statements and the auditor's report thereon before submission to the Board;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Evaluation of internal financial controls and risk identification, assessment and mitigation process;
- Discussion with internal auditors on any significant findings and reviewing the reporting structure, coverage and frequency of internal audit;
- 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 of the functioning of whistle blower mechanism;
- Scrutiny of inter-corporate loans and investments;
- Approval of related party transactions.

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. Parag Keshar Bhattacharjee	Member	Independent Director
Mr. Sushil Dhandhanja	Member	Independent Director

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

ANNEXURE I TO THE DIRECTORS' REPORT (Contd.)

c) Meetings and attendance during the year

During the year, 4 (four) meetings of the audit committee were held on 25th May, 2016, 28th July, 2016, 9th November, 2016 and 31st January, 2017.

Name of the directors	Number of meetings attended
Mr. Navin Nayar	4
Mr. Parag Keshar Bhattacharjee	4
Mr. Sushil Dhandhanania	3

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 29th July, 2016. 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.

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 :

- Identification and selection of persons for appointment in the position of directors and senior managerial personnel in accordance with the criteria laid down and to recommend to the Board their appointment;
- Formulate the criteria for determining qualifications, positive attributes and independence of a director;
- Recommend a policy relating to, the remuneration of the directors, key managerial personnel and other senior management personnel to the Board;
- Formulate and review criteria for evaluation of performance of the Board of directors;
- Devise a policy on diversity of Board of directors.

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 Dhandhanania	Chairman	Independent Director
Mr. Navin Nayar	Member	Independent Director
Mr. Parag Keshar Bhattacharjee	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 25th May, 2016 and 31st January, 2017.

Name of the directors	Number of meetings attended
Mr. Sushil Dhandhanania	1
Mr. Navin Nayar	2
Mr. Parag Keshar Bhattacharjee	2

The chairman of the nomination and remuneration committee was present at the last AGM of the Company held on 29th July, 2016.

ANNEXURE I TO THE DIRECTORS' REPORT (Contd.)

(₹ in Lakhs)

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; judgements and decisions taken on business operations; contribution in developing strategies and risk management policies; adherence to Company's code of conduct and corporate governance; effective participation in committee meetings; pro-activeness in highlighting areas of concern at the meeting; sharing of knowledge and business information; disclosure of interest and lists of relatives in timely manner; response from fellow board members and senior managerial personnel.

Based on criteria laid down by the nomination and remuneration committee, the entire Board carried out its own performance evaluation and that of its committees and the independent directors (excluding the director being evaluated), and recorded satisfactory performance during the year under review.

The independent directors held a separate meeting on 17th March, 2017 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.

5. Remuneration of directors**(a) Details of remuneration of directorss**

Details of remuneration of executive directors for the year ended 31st March, 2017 :

Name of the directors	Salary	Commission	Contribution to provident fund	Estimated value of other perquisites	Tenure of appointment
Mr. Harsh Vardhan Kanoria	24.00	204.00	2.40	41.19	5 years from 1st August, 2015
Mr. Nawal Kishore Kejriwal	19.35	15.00	1.94	26.40	2 years from 1st June, 2016

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.

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, 2017 :

Non-Executive/Independent Directors	Sitting fees	Commission
Mrs. Malati Kanoria	0.25	4.00
Mr. Sushil Dhandhanania	0.15	4.00
Mr. Navin Nayar	0.25	4.00
Mr. Parag Keshar Bhattacharjee	0.20	4.00
Mr. Padam Kumar Khaitan *	0.15	4.00

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

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

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

ANNEXURE I TO THE DIRECTORS' REPORT (Contd.)

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 are 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% of the net profits 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 and hotel and other expenses incurred in consequence of their attending 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 Dhandhanania, 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 :

Name of the directors	Designation	Category
Mr. Sushil Dhandhanania	Chairman	Independent Director
Mr. Parag Keshar Bhattacharjee	Member	Independent Director
Mr. Nawal Kishore Kejriwal	Member	Wholetime Director

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, 22 investor complaints were received which have been redressed to the satisfaction of the 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. Sushil Dhandhanania	Member	Independent Director
Mr. Padam Kumar Khaitan	Member	Independent Director

ANNEXURE I TO THE DIRECTORS' REPORT (Contd.)

b) Meetings and attendance

2 (two) meetings of the CSR committee were held on 25th May, 2016, and 31st January, 2017.

Name of the directors	Number of meetings attended
Mrs. Malati Kanoria	2
Mr. Sushil Dhandhanian	1
Mr. Padam Kumar Khaitan	2

8. General Body Meetings

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

Financial Year	Location	Date of AGM	Time	Special Resolutions Passed
2013-2014	The Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad,	8th August, 2014	11.00 a.m.	i. Amendment to the Articles of Association of the Company ii. Appointment of Mr. Nawal Kishore Kejriwal (Aged 71 years) as Wholetime Director iii. Appointment of Mr. Parag Keshar Bhattacharjee (Aged 75 years) as Independent Director
2014-2015	36A, Shakespeare Sarani (4th Floor), Kolkata-700 017	13th August, 2015	11.00 a.m.	Nil
2015-2016		29th July, 2016	11.00 a.m.	i. Adoption of new Articles of Association of the Company ii. Appointment of Mr. N.K. Kejriwal (Aged 73 years) as Wholetime director iii. Create mortgage and hypothecation on the assets of the Company

b) Postal Ballot

No special resolution was passed during last year through postal ballot. There is no item on the agenda of ensuing AGM which requires passing a special resolution through postal ballot.

9. Means of Communication

- The financial results of the Company are uploaded at the website of BSE Limited and the website of the Company and are simultaneously forwarded for publication in newspapers within the stipulated time.
- Financial results are normally 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, annual reports, distribution of shareholding at the end of each quarter, official press releases, information required to be disclosed under Regulations 30(8) and 46 of the Listing Regulations, etc. 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 report forms part of the directors' report.

ANNEXURE I TO THE DIRECTORS' REPORT (Contd.)

10. General Shareholder information

i)	AGM : Date, Time and Venue	25th August, 2017 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 2017 to 31st March 2018 II. First quarter results : On or before 14th September, 2017 III. Half yearly results : On or before 14th December, 2017 IV. Third quarter results : On or before 14th February, 2018 V. Audited Financial Statements : On or before 30th May, 2018
iii)	Dividend payment date	30th August, 2017
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 - 400 001 Listing Fees for the year 2017-2018 has been paid on 7th April, 2017.
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 10.
vii)	Stock performance of the Company in comparison to BSE Sensex. (April, 2016 to March, 2017)	Information has been given at the end of clause 10.
viii)	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
ix)	Share Transfer System	Information has been given at the end of clause 10.
x)	Distribution of Shareholding as on 31st March, 2017	Information has been given at the end of clause 10.
xi)	Dematerialisation of shares and liquidity	As on 31st March, 2017, 96.3815% of the Company's paid-up share capital representing 43,48,012 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 39 to the financial statements for the year ended 31st March, 2017.
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).

ANNEXURE I TO THE DIRECTORS' REPORT (Contd.)

xv)	Address for Correspondence	Cheviot Company Limited CIN : L65993WB1897PLC001409 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 services e-mail ID : evoting@chevjute.com Investor service e-mail ID : investorservices@chevjute.com Website : www.groupcheviot.net
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Information in respect of clause 10 (vi)

Market Price data : High, Low during 2016-2017 is given in the table below :

Month	BSE Limited	
	High (₹)	Low (₹)
April, 2016	814.00	690.25
May, 2016	779.50	677.00
June, 2016	729.00	645.10
July, 2016	810.00	683.00
August, 2016	800.00	726.00
September, 2016	1,141.00	786.00
October, 2016	1,080.00	933.00
November, 2016	1,049.00	789.90
December, 2016	938.00	865.00
January, 2017	1,051.40	880.00
February, 2017	1,015.00	956.50
March, 2017	1,080.00	940.00

Information in respect of clause 10 (vii)

Stock performance of the Company in comparison to BSE Sensex (April, 2016 to March, 2017)

Month	Company' share price at BSE Limited in (₹)		BSE Sensex	
	High	Low	High	Low
April, 2016	814.00	690.25	26,100.54	24,523.20
May, 2016	779.50	677.00	26,837.20	25,057.93
June, 2016	729.00	645.10	27,105.41	25,911.33
July, 2016	810.00	683.00	28,240.20	27,034.14
August, 2016	800.00	726.00	28,532.25	27,627.97
September, 2016	1,141.00	786.00	29,077.28	27,716.78
October, 2016	1,080.00	933.00	28,477.65	27,488.30
November, 2016	1,049.00	789.90	28,029.80	25,717.93
December, 2016	938.00	865.00	26,803.76	25,753.74
January, 2017	1,051.40	880.00	27,980.39	26,447.06
February, 2017	1,015.00	956.50	29,065.31	27,590.10
March, 2017	1,080.00	940.00	29,824.62	28,716.21

Information in respect of clause 10 (ix)**Share Transfer System**

Share transfers in physical and demat 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

ANNEXURE I TO THE DIRECTORS' REPORT (Contd.)

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 transfers/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, Messers MR & Associates, a firm of Practising Chartered 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 10 (x)

a) Distribution of Shareholding as on 31st March, 2017 :

Number of Ordinary shares held	Number of Shares	Percentage of Shareholding	Number of Shareholders/folios	Percentage of Shareholders
Up to 500	5,67,447	12.5785	7,317	95.1991
501 to 1000	1,64,550	3.6476	223	2.9014
1001 to 2000	1,25,690	2.7861	89	1.1579
2001 to 3000	51,191	1.1347	21	0.2732
3001 to 4000	45,725	1.0136	13	0.1691
4001 to 5000	35,815	0.7939	8	0.1041
5001 to 10000	45,251	1.0031	6	0.0781
10001 and above	34,75,581	77.0425	9	0.1171
Total	45,11,250	100.0000	7,686	100.0000
Physical Mode	1,63,238	3.6185	1,438	18.7093
Demat Mode	43,48,012	96.3815	6,248	81.2907

b) Shareholding Pattern as on 31st March, 2017 :

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	33,83,312	74.9972
	2. Foreign	–	–	–
	Total Shareholding of Promoter and Promoter Group	7	33,83,312	74.9972
(B)	Public Shareholding			
	1. Institutions	20	7,700	0.1707
	2. Non-institutions	7,659	11,20,238	24.8321
	Total Public Shareholding	7,679	11,27,938	25.0028
(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)	7,686	45,11,250	100.00000

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

ANNEXURE I TO THE DIRECTORS' REPORT (Contd.)

11. 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 provided annual certification on the financial statements and the cash flow statement to the Board in terms of Regulation 17 of the Listing Regulations.

12. Declaration on compliance with Company's Code of Conduct

The Board of directors have formulated a code of conduct applicable to all its members and senior management of the Company incorporating duties of independent directors which has been posted on the website of the Company (www.groupcheviot.net). A declaration signed by the Chief Executive Officer of the Company affirming compliance with the Company's code of conduct by the members of Board of Directors and senior management of the Company is appended to this report.

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

As on 31st March, 2017, there are no outstanding shares of the Company lying in the demat suspense / unclaimed suspense account.

14. Other Disclosures

- There are no materially significant related party transaction 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 AS-18 have been made in Note 48 to the financial statements for the year ended 31st March, 2017. Policy on related party transactions and other policies and code of conduct adopted by the Board are displayed on the website of the Company (www.groupcheviot.net).
- During the last three years, no penalty or stricture have been imposed on the Company by the 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 blowers from victimisation, harassment or disciplinary proceedings. The whistle blower(s) may also lodge their complaints/concern with the Chairman of the audit committee. No person has been denied access to the audit committee.
- Disclosure of compliance with mandatory and non-mandatory corporate governance requirements :
The Company has made compliance with 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. Non-Mandatory 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 unqualified financial statements during the year ended 31st March, 2017 from the auditors. The Company has not appointed separate persons to the post of Chairman and Managing Director / CEO. The internal auditors of the Company directly reports to the audit committee.
- The Company does not have any subsidiary.

For and on behalf of the Board

Harsh Vardhan Kanoria

Chairman and Managing Director,

Chief Executive Officer

DIN : 00060259

Kolkata, 24th May, 2017

ANNEXURE I TO THE DIRECTORS' REPORT (Contd.)

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

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, 2017.

Kolkata, 24th May, 2017

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

Auditors' Certificate on Compliance with the conditions of Corporate Governance

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 31st March, 2017, as stipulated in Regulation 34(3) read with Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Regulations, as applicable.

We further 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.

P-21/22, Radhabazar Street,
Kolkata - 700 001
Dated the 24th day of May, 2017

For **Jain & Co.**
Chartered Accountants
Registration No. 302023E
CA P. K. JAIN
Partner
Membership No. 52018

ANNEXURE II TO THE DIRECTORS' REPORT

FORM NO. MGT - 9

Extract of annual return as on the financial year ended on 31st March, 2017

[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 Phone : +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 Phone : (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	57.0592	2(46)

ANNEXURE II TO THE DIRECTORS' 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, 2016)				No. of Shares held at the end of the year (As on 31st March, 2017)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
	1) Indian									
	a) Individuals/HUF	7,99,181	-	7,99,181	17.7153	7,99,181	-	7,99,181	17.7153	-
	b) Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
	c) Bodies Corporate	25,84,131	-	25,84,131	57.2819	25,84,131	-	25,84,131	57.2819	-
	d) Banks/FI	-	-	-	-	-	-	-	-	-
	e) Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	33,83,312	-	33,83,312	74.9972	33,83,312	-	33,83,312	74.9972	-
	2) Foreign									
	a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
	b) Other- Individuals	-	-	-	-	-	-	-	-	-
	c) Bodies Corporate	-	-	-	-	-	-	-	-	-
	d) Banks/FI	-	-	-	-	-	-	-	-	-
	e) Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total shareholding of Promoters (A) = (A) (1) + (A) (2)	33,83,312	-	33,83,312	74.9972	33,83,312	-	33,83,312	74.9972	-
B.	Public Shareholding									
	1) Institutions									
	a) Mutual Funds	100	100	200	0.0044	100	100	200	0.0044	-
	b) Banks/FI	126	7,374	7,500	0.1663	126	7,374	7,500	0.1663	-
	c) Central Govt.	-	-	-	-	-	-	-	-	-
	d) State Govt.(s)	-	-	-	-	-	-	-	-	-
	e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
	f) Insurance Companies	-	-	-	-	-	-	-	-	-
	g) FIs	-	-	-	-	-	-	-	-	-
	h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	i) Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	226	7,474	7,700	0.1707	226	7,474	7,700	0.1707	-
	2) Non-Institutions									
	a) Bodies Corporate									
	i) Indian	57,513	8,440	65,953	1.4620	70,564	8,440	79,004	1.7513	19.7883
	ii) Overseas	-	-	-	-	-	-	-	-	-

ANNEXURE II TO THE DIRECTORS' REPORT (Contd.)

Category of Shareholders				No. of Shares held at the beginning of the year (As on 1st April, 2016)				No. of Shares held at the end of the year (As on 31st March, 2017)				% 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	7,78,176	1,29,364	9,07,540	20.1173	7,47,423	1,27,027	8,74,450	19.3838	(3.6461)
		ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	70,860	–	70,860	1.5707	91,879	–	91,879	2.0366	29.6627
	c)	Others (specify)										
		i) Non Resident Individual		20,272	18,578	38,850	0.8612	17,665	18,578	36,243	0.8034	(6.7104)
		ii) Foreign National		–	1,719	1,719	0.0381	–	1,719	1,719	0.0381	–
		iii) Custodian of Enemy Property		5,537	–	5,537	0.1227	5,537	–	5,537	0.1227	–
		iv) Clearing Member		29,361	–	29,361	0.6508	30,988	–	30,988	0.6869	5.5414
		v) Trusts		418	–	418	0.0093	418	–	418	0.0093	–
		Sub-Total (B) (2)		9,62,137	1,58,101	11,20,238	24.8321	9,64,474	1,55,764	11,20,238	24.8321	–
		Total Public Shareholding (B) = (B) (1) + (B) (2)		9,62,363	1,65,575	11,27,938	25.0028	9,64,700	1,63,238	11,27,938	25.0028	–
C)	Shares held by Custodian for GDRs & ADRs		–	–	–	–	–	–	–	–	–	
Grand Total (A+B+C)			43,45,675	1,65,575	45,11,250	100.0000	43,48,012	1,63,238	45,11,250	100.0000		

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1st April, 2016)			Shareholding at the end of the year (As on 31st March, 2017)			% 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	3,43,840	7.6218	–	3,43,840	7.6218	–	–
2	Mrs. Malati Kanoria	2,85,150	6.3209	–	2,85,150	6.3209	–	–
3	Mr. Utkarsh Kanoria	1,70,191	3.7726	–	1,70,191	3.7726	–	–
4	Harsh Investments Private Limited	25,74,081	57.0592	–	25,74,081	57.0592	–	–
5	Abhyadoot Finance and Investments Private Limited	9,000	0.1995	–	9,000	0.1995	–	–
6	Cheviot International Limited	150	0.0033	–	150	0.0033	–	–
7	Cheviot Agro Industries Private Limited	900	0.0199	–	900	0.0199	–	–
	Total	33,83,312	74.9972	–	33,83,312	74.9972	–	–

ANNEXURE II TO THE DIRECTORS' 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, 2016)		Cumulative Shareholding during the year (1st April, 2016 to 31st March, 2017)	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	At the beginning of the year	There is no change in Promoter's Shareholding between 1st April, 2016 and 31st March, 2017			
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)				
	At the end of the year				

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, 2016)		Cumulative Shareholding during the year (1st April, 2016 to 31st March, 2017)	
				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			50,000	1.1083	50,000	1.1083
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	20-05-2016	Market Purchase	675	0.0150	50,675	1.1233
		02-09-2016	Market Purchase	314	0.0070	50,989	1.1303
		09-09-2016	Market Purchase	2,232	0.0495	53,221	1.1798
		03-02-2017	Market Purchase	5,000	0.1108	58,221	1.2906
	At the end of the year			-	-	58,221	1.2906
2.	Mohan Lall Golechha						
	At the beginning of the year			7,543	0.1672	7,543	0.1672
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	08-04-2016	Market Purchase	110	0.0024	7,653	0.1696
		15-04-2016	Market Purchase	72	0.0016	7,725	0.1712
		22-04-2016	Market Sale	(92)	(0.0020)	7,633	0.1692
		29-04-2016	Market Purchase	4	0.0001	7,637	0.1693
		06-05-2016	Market Purchase	64	0.0014	7,701	0.1707
		03-06-2016	Market Purchase	72	0.0016	7,773	0.1723
		17-06-2016	Market Sale	(101)	(0.0022)	7,672	0.1701
		24-06-2016	Market Purchase	78	0.0017	7,750	0.1718
		30-06-2016	Market Purchase	154	0.0034	7,904	0.1752
		08-07-2016	Market Purchase	50	0.0011	7,954	0.1763
		19-08-2016	Market Purchase	2	0.0000	7,956	0.1763
		26-08-2016	Market Sale	(1,120)	(0.0248)	6,836	0.1515
		02-09-2016	Market Purchase	533	0.0118	7,369	0.1633
		09-09-2016	Market Purchase	1,139	0.0253	8,508	0.1886
		16-09-2016	Market Purchase	980	0.0217	9,488	0.2103
		23-09-2016	Market Sale	(42)	(0.0009)	9,446	0.2094
		30-09-2016	Market Sale	(226)	(0.0050)	9,220	0.2044
		07-10-2016	Market Purchase	198	0.0044	9,418	0.2088
		14-10-2016	Market Purchase	30	0.0006	9,448	0.2094
		21-10-2016	Market Purchase	140	0.0031	9,588	0.2125

ANNEXURE II TO THE DIRECTORS' REPORT (Contd.)

Sl. No.	For each of the Top Ten Shareholders			Shareholding at the beginning of the year (As on 1st April, 2016)		Cumulative Shareholding during the year (1st April, 2016 to 31st March, 2017)	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
		28-10-2016	Market Purchase	559	0.0124	10,147	0.2249
		04-11-2016	Market Purchase	659	0.0146	10,806	0.2395
		11-11-2016	Market Sale	(907)	(0.0201)	9,899	0.2194
		18-11-2016	Market Purchase	2,495	0.0553	12,394	0.2747
		25-11-2016	Market Sale	(283)	(0.0063)	12,111	0.2684
		02-12-2016	Market Purchase	72	0.0016	12,183	0.2700
		09-12-2016	Market Sale	(3)	0.0000	12,180	0.2700
		16-12-2016	Market Sale	(13)	(0.0003)	12,167	0.2697
		30-12-2016	Market Purchase	86	0.0019	12,253	0.2716
		06-01-2017	Market Purchase	5	0.0001	12,258	0.2717
		13-01-2017	Market Sale	(18)	(0.0004)	12,240	0.2713
		20-01-2017	Market Purchase	36	0.0008	12,276	0.2721
		03-02-2017	Market Sale	(1,487)	(0.0329)	10,789	0.2392
		10-02-2017	Market Purchase	403	0.0089	11,192	0.2481
		17-02-2017	Market Purchase	621	0.0138	11,813	0.2619
		24-02-2017	Market Purchase	387	0.0086	12,200	0.2705
		03-03-2017	Market Purchase	10	0.0002	12,210	0.2707
		10-03-2017	Market Purchase	20	0.0004	12,230	0.2711
	At the end of the year			–	–	12,230	0.2711
3.	Rajeev Aggarwal HUF						
	At the beginning of the year			10,608	0.2351	10,608	0.2351
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	07-10-2016	Market Purchase	169	0.0038	10,777	0.2389
		20-01-2017	Market Purchase	650	0.0144	11,427	0.2533
	At the end of the year			–	–	11,427	0.2533
4.	Arcadia Share and Stock Brokers Private Limited						
	At the beginning of the year			10,687	0.2369	10,687	0.2369
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	29-04-2016	Market Sale	(80)	(0.0018)	10,607	0.2351
		10-06-2016	Market Sale	(10)	(0.0002)	10,597	0.2349
		24-06-2016	Market Sale	(120)	(0.0027)	10,477	0.2322
		08-07-2016	Market Sale	(15)	(0.0003)	10,462	0.2319
		22-07-2016	Market Purchase	50	0.0011	10,512	0.2330
		05-08-2016	Market Sale	(50)	(0.0011)	10,462	0.2319
		02-09-2016	Market Sale	(25)	(0.0006)	10,437	0.2313
		09-09-2016	Market Purchase	50	0.0011	10,487	0.2324
		16-09-2016	Market Sale	(50)	(0.0011)	10,437	0.2313
		30-09-2016	Market Purchase	180	0.0040	10,617	0.2353
		07-10-2016	Market Sale	(180)	(0.0040)	10,437	0.2313
		21-10-2016	Market Purchase	25	0.0006	10,462	0.2319

ANNEXURE II TO THE DIRECTORS' REPORT (Contd.)

Sl. No.	For each of the Top Ten Shareholders			Shareholding at the beginning of the year (As on 1st April, 2016)		Cumulative Shareholding during the year (1st April, 2016 to 31st March, 2017)	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
		16-12-2016	Market Purchase	24	0.0005	10,486	0.2324
		23-12-2016	Market Purchase	50	0.0011	10,536	0.2335
		30-12-2016	Market Sale	(50)	(0.0011)	10,486	0.2324
		06-01-2017	Market Purchase	37	0.0009	10,523	0.2333
		17-02-2017	Market Purchase	50	0.0011	10,573	0.2344
		24-02-2017	Market Sale	(50)	(0.0011)	10,523	0.2333
		24-03-2017	Market Sale	(25)	(0.0006)	10,498	0.2327
		31-03-2017	Market Purchase	25	0.0006	10,523	0.2333
		At the end of the year		-	-	10,523	0.2333
5.	Tamanna Maheshwari						
	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.)	09-09-2016	Market Purchase	10,001	0.2217	10,001	0.2217
	At the end of the year			-	-	10,001	0.2217
6.	Sanjay Natvarlal Shah						
	At the beginning of the year			9,216	0.2043	9,216	0.2043
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)			No change during the year			
	At the end of the year			-	-	9,216	0.2043
7	Dr Ramesh Chimanlal Shah						
	At the beginning of the year			10,252	0.2273	10,252	0.2273
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	15-04-2016	Market Sale	(708)	(0.0157)	9,544	0.2116
		03-02-2017	Market Sale	(500)	(0.0111)	9,044	0.2005
		24-02-2017	Market Sale	(500)	(0.0111)	8,544	0.1894
	At the end of the year			-	-	8,544	0.1894
8	Nilay Nanubhai Doshi						
	At the beginning of the year			8,350	0.1851	8,350	0.1851
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	08-08-2016	Market Sale	(129)	(0.0029)	8,221	0.1822
		15-04-2016	Market Sale	(20)	(0.0004)	8,201	0.1818
		27-05-2016	Market Sale	(200)	(0.0044)	8,001	0.1774
		03-06-2016	Market Sale	(1)	0.0000	8,000	0.1774
		26-08-2016	Market Purchase	4	0.0000	8,004	0.1774
		16-09-2016	Market Purchase	108	0.0024	8,112	0.1798
		30-09-2016	Market Purchase	13	0.0003	8,125	0.1801

ANNEXURE II TO THE DIRECTORS' REPORT (Contd.)

Sl. No.	For each of the Top Ten Shareholders			Shareholding at the beginning of the year (As on 1st April, 2016)		Cumulative Shareholding during the year (1st April, 2016 to 31st March, 2017)	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
		28-10-2016	Market Purchase	226	0.0050	8,351	0.1851
		11-11-2016	Market Sale	(1)	0.0000	8,350	0.1851
		18-11-2016	Market Sale	(350)	(0.0078)	8,000	0.1773
	At the end of the year			–	–	8,000	0.1773
9	Saunijyot Advisory Services LLP						
	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.)	26-08-2016	Market Purchase	3,361	0.0745	3,361	0.0745
		02-09-2016	Market Purchase	1,492	0.0331	4,853	0.1076
		09-09-2016	Market Purchase	1,397	0.0310	6,250	0.1386
		16-09-2016	Market Purchase	1,255	0.0278	7,505	0.1664
		23-09-2016	Market Purchase	450	0.0099	7,955	0.1763
	At the end of the year			–	–	7,955	0.1763
10	Manish Poddar HUF						
	At the beginning of the year			6,000	0.1330	6,000	0.1330
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)			No change during the year			
	At the end of the year			–	–	6,000	0.1330

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, 2016)		Cumulative Shareholding during the year (1st April, 2016 to 31st March, 2017)	
				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			3,43,840	7.6218	3,43,840	7.6218
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)			–	–	–	–
	At the end of the year			3,43,840	7.6218	3,43,840	7.6218
2	Mrs. Malati Kanoria, Non-Executive Director						
	At the beginning of the year			2,85,150	6.3209	2,85,150	6.3209
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)			–	–	–	–
	At the end of the year			2,85,150	6.3209	2,85,150	6.3209
3	Mr. Nawal Kishore Kejriwal, Wholetime Director						
	At the beginning of the year			300	0.0067	300	0.0067
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)			–	–	–	–
	At the end of the year			300	0.0067	300	0.0067

ANNEXURE II TO THE DIRECTORS' REPORT (Contd.)

(₹ In Lakhs)

Sl No.	For each of the Directors and KMP	Shareholding at the beginning of the year (As on 1st April, 2016)		Cumulative Shareholding during the year (1st April, 2016 to 31st March, 2017)	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
4	Mr. Madhup Kumar Patni, Chief Financial Officer				
	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)	-	-	-	-
	At the end of the year	10	0.0002	10	0.0002
5	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)	-	-	-	-
	At the end of the year	10	0.0002	10	0.0002

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

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, 2016)				
i) Principal Amount	1,259.24	-	-	1,259.24
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,259.24	-	-	1,259.24
Change in Indebtedness during the financial year				
Addition	87.97	-	-	87.97
Reduction	-	-	-	-
Net Change	87.97	-	-	87.97
Indebtedness at the end of the financial year (31st March, 2017)				
i) Principal Amount	1,347.21	-	-	1,347.21
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,347.21	-	-	1,347.21

ANNEXURE II TO THE DIRECTORS' REPORT (Contd.)

(₹ In Lakhs)

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/WTD/Manager		Total Amount
		Mr. Harsh Vardhan Kanoria, Chairman and Managing Director, CEO	Mr. Nawal Kishore Kejriwal, Wholetime Director	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	24.00	26.39	50.39
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	38.73	2.22	40.95
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	—	—	—
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission	—	—	—
	- as % of Profit	204.00	15.00	219.00
5.	Others, please specify	—	—	—
	(Retiral Benefits)	4.86	19.08	23.94
	Total (A)	271.59	62.69	334.28
	Ceiling as per the Act	₹ 544.88 (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

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 Dhandhanania	Mr. Navin Nayar	Mrs. Malati Kanoria	
1.	Independent Directors						
	Fee for attending board/ committee meetings	0.20	0.15	0.15	0.25	-	0.75
	Commission	4.00	4.00	4.00	4.00	-	16.00
	Others, please specify	-	-	-	-	-	-
	Total (1)	4.20	4.15	4.15	4.25	-	16.75
2.	Other non-executive Directors						
	Fee for attending board/ committee meetings	-	-	-	-	0.25	0.25
	Commission	-	-	-	-	4.00	4.00
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	4.25	4.25
	Total (B) = (1 + 2)	4.20	4.15	4.15	4.25	4.25	21.00
	Total Managerial Remuneration (A + B)						355.28
	Overall Ceiling as per the Act	₹ 599.37 (being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)					

ANNEXURE II TO THE DIRECTORS' REPORT (Contd.)

(₹ In Lakhs)

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

Sl. No.	Particulars of Remuneration	Key managerial personnel		Total Amount
		Mr. Madhup Kumar Patni, Chief Financial Officer	Mr. Aditya Banerjee, Company Secretary	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	28.18	13.93	42.11
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.95	0.56	1.51
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	—	—	—
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission	—	—	—
5.	Others, please specify	—	—	—
	(Retiral Benefits)	6.46	2.91	9.37
	Total (C)	35.59	17.40	52.99

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					
	Penalty		None		
	Punishment				
	Compounding				
B. DIRECTORS					
	Penalty		None		
	Punishment				
	Compounding				
C. OTHER OFFICERS IN DEFAULT					
	Penalty		None		
	Punishment				
	Compounding				

ANNEXURE III TO THE DIRECTORS' 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)	Installation and use of small capacitor banks to maintain Line Power Factor and to achieve rebates in power cost;
		(ii)	Replacement of old tube lights with energy efficient LED 20W/ 18W tube lamps;
		(iii)	Continuous monitoring on steam and compressed air line to minimise losses.
(ii)	The steps taken by the Company for utilising alternate sources of energy	Following steps are taken by the Company for utilising alternate sources of energy :	
		(i)	Maximum use of natural lighting during day time and safelux system to get the factory premises illuminated;
		(ii)	Use of jute waste in Boilers.
(iii)	The capital investment on energy conservation equipments :	The Company has not made capital investment on energy conservation equipment during the year under review. The aforesaid electrical items procured during the year were consumable in nature.	

B. Technology Absorption

(i)	The efforts made towards technology absorption	Technology absorption is an ongoing process in the Company and efforts are being made to procure latest available automated machines and upgrade its plant and machinery with modern technology machines.	
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	(i)	Improvement in productivity and operational efficiency;
		(ii)	Reduction in maintenance cost.
(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 in terms of actual inflow : ₹ 11,330.39
(ii) Foreign exchange outgo in terms of actual outflow : ₹ 5,288.92

For and on behalf of the Board
Harsh Vardhan Kanoria
Chairman and Managing Director,
Chief Executive Officer
DIN : 00060259

Kolkata, 24th May, 2017

ANNEXURE IV TO THE DIRECTORS' 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 activities were undertaken during the year 2016-17 in the field of promoting education and health care. The CSR Policy is available on Company's website (www.groupcheviot.net).			
2.	The Composition of the CSR Committee :			The present members of the CSR Committee consists of : 1. Mrs. Malati Kanoria (Non-Executive Director) – Chairperson 2. Mr. Padam Kumar Khaitan (Independent Director) – Member 3. Mr. Sushil Dhandhanania (Independent Director) – Member			
3.	Average net profit of the Company for last three financial years:			₹ 4,017.04			
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) :			₹ 80.34			
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 :			₹ 80.34 ₹ 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, as amended)	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. Other 2. Harni, Vadodara, Gujarat, India	₹ 40.00	₹ 40.00*	₹ 40.00	Through implementing agency: Jan Priya Trust
5b.	For promoting education	Cl. (ii) Education	1. Local Area 2. Gangarampur, D.H. Road, Dist. 24 Parganas (South), West Bengal, India	₹ 3.00	₹ 3.00*	₹ 3.00	Through implementing agency: Ramakrishna Sarada Mission, Gangarampur
5c.	For promoting healthcare	Cl. (i) Healthcare	1. Local Area 2. Budge Budge, 24 Parganas (South), West Bengal, India	₹ 6.25	₹ 6.36*	₹ 6.36	Direct
5d.	For promoting education	Cl. (ii) Education	1. Local Area 2. Budge Budge, 24 Parganas (South), West Bengal, India	₹ 17.50	₹ 17.52*	₹ 17.52	Direct
5e.	For promoting education	Cl. (ii) Education	1. Local Area 2. Falta, Kalatalahat, 24 Parganas (South), West Bengal, India	₹ 14.00	₹ 14.06*	₹ 14.06	Direct

ANNEXURE IV TO THE DIRECTORS' REPORT (Contd.)

(₹ in Lakhs)

(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, as amended)	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
5f.	For promoting education	Cl. (ii) Education	1. Local Area 2. Budge Budge, 24 Parganas (South), West Bengal, India	₹ 0.25	₹ 0.25*	₹ 0.25	Through implementing agency: Society for woman assistance and people in need organisation
Total				₹ 81.00	₹ 81.19	₹ 81.19	
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.

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

Malati Kanoria
 Chairperson
 CSR Committee
 DIN: 00253241

ANNEXURE V TO THE DIRECTORS' REPORT

DISCLOSURE OF REMUNERATION POLICY AND CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR

A. Remuneration Policy

1. The objectives of this policy are to :

- 1.1 Determine the level and composition of remuneration that will attract, retain and motivate directors, key managerial personnel, senior management personnel and other employees of the Company;
- 1.2 Provide a well-balanced and performance based remuneration package taking into account industry standard and relevant corporate regulations.

2. Policy principles

The process of remuneration shall be transparent, unbiased and conducted after appraisal of the performance of each director and employee in accordance with his/her roles and responsibilities within the organisation against appropriate performance benchmarks. Their contribution and value addition for the growth of the Company shall be considered while fixing their remuneration and subsequent promotion. The Company shall strive to pay an equitable remuneration, capable of attracting and retaining high quality personnel taking into consideration the market trend of remuneration packages in the same sector. Remuneration package at various levels shall be standardised, keeping enough scope to make it flexible with a view to reward employees with exceptional talent and competence. The Company shall ensure that the remuneration at various levels is affordable and sustainable.

3. Remuneration to directors

Payments to directors by way of remuneration, sitting fee, commission are subject to the approval of Board and members of the Company and restricted to the overall maximum managerial remuneration under Section 197 of the Companies Act, 2013.

(a) Remuneration to executive directors

1. Appointment / re-appointment of executive directors shall be on contractual basis. The nomination and remuneration committee shall identify qualified person for the position of executive director and recommend their remuneration to the Board of directors. Such proposal with or without modification shall be recommended by the Board to the members of the Company for approval.
2. The remuneration to executive director shall take into account the Company's overall performance, executive director's contribution for the same and the industry standards.
3. Remuneration to executive director shall include fixed components of salary, allowances, medical insurance premium, perquisites and retirement benefits as may be decided by the nomination and remuneration committee from time to time payable on monthly basis and commission on net profits. The total remuneration shall be restricted within the overall maximum managerial remuneration under Section 197 of the Companies Act, 2013.
4. In the event of absence or inadequacy of profit in any financial year, the overall remuneration to executive directors shall be governed by Section II of Part II of Schedule V to the Companies Act, 2013.

(b) Remuneration to non-executive directors

Non-executive directors and independent directors shall be paid sitting fee for every meeting of the Board of directors attended by them as member. In addition, they shall be paid commission up to an aggregate amount not exceeding 1% of the net profits 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 to the organisation.

ANNEXURE V TO THE DIRECTORS' REPORT (Contd.)

4. Remuneration of key managerial personnel (KMP) and senior management personnel (SMP)

Remuneration to KMP and SMP is fixed at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals. The fixed component of remuneration shall include salary, allowances, medical insurance premium, perquisites and retirement benefits as may be determined by the nomination and remuneration committee. In addition, KMP and SMP shall have variable incentive linked with performance of previous year which shall be decided year on year basis. Ex-gratia/ rewards are payable to KMP and SMP on outstanding performance of the Company. The remuneration of the KMP and SMP at the time of appointment would require approval of Board.

In accordance with the conditions of service with the Company, executive directors, KMP and SMP would be eligible to seek interest-free loans and/or advances in order to meet any exigency which shall be repayable out of future salary earnings in agreed monthly installments. The management reserves the right to sanction amount of loan and/or advance and the period of repayment based on overall performance.

B. Criteria for determining qualifications, positive attributes and independence of a director

With the objective of ensuring that the Company's Board is competent at all points of time to be able to take decisions commensurate with the size and scale of operations and complexities of business, the nomination and remuneration committee laid down the following criteria for determining qualifications, positive attributes and independence of a director:

1. Qualifications :-

- Person shall possess appropriate skills, experience and knowledge in one or more fields of industry, finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the Company's business.
- The person must be a graduate or equivalent to be a member of the Board.

2. Positive attributes :-

- Person shall uphold ethical standards and probity and shall have requisite experience and proficiency to direct and control business affairs;
- He/she shall have the ability to act objectively and constructively;
- Allocate sufficient time and attention to the Company's performance and assist the Board in implementing the best corporate governance practices.

3. Independence :-

A person willing to be inducted in the Board must abide by the following code of conduct to maintain independence in his/her judgements :

- To ensure that personal interest do not conflict with interest of the Company;
- To take utmost care and diligence in exercising the powers attached to the office in performance of the duties;
- To act in accordance with the highest standards of personal and professional integrity and maintain honesty and ethical conduct in the best interests of the Company;
- To ensure not to provide any information to the press and any other publicity media unless specifically authorised to do so;
- To remain independent in judgements and actions in respect of all decisions taken by the Board;
- To ensure that confidential information acquired in the course of work is disclosed only if permitted by the Company or in accordance with requirements of law.

ANNEXURE VI TO THE DIRECTORS' 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	179:1
	Mr. Nawal Kishore Kejriwal, Wholetime Director	41:1
	Mr. Parag Keshar Bhattacharjee, Independent Director	3:1
	Mr. Navin Nayar, Independent Director	3:1
	Mr. Sushil Dhandhanania, Independent Director	3:1
	Mr. Padam Kumar Khaitan, Independent Director	3:1
	Mrs. Malati Kanoria, Non Executive 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	2%
	Mr. Nawal Kishore Kejriwal, Wholetime Director	55%
	Mr. Parag Keshar Bhattacharjee, Independent Director	(1)%
	Mr. Navin Nayar, Independent Director	1%
	Mr. Sushil Dhandhanania, Independent Director	-
	Mr. Padam Kumar Khaitan, Independent Director	1%
	Mrs. Malati Kanoria, Non Executive Director	-
	Mr. Madhup Kumar Patni, Chief Financial Officer	49%
	Mr. Aditya Banerjee, Company Secretary	30%
(iii)	The percentage increase in the median remuneration of employees in the financial year:	7%
(iv)	The number of permanent employees on the rolls of Company : (as on 31st March, 2017)	3883 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 made in the salaries of employees other than the managerial personnel of the Company in the year under review was around 9%. Remuneration to managerial personnel have also increased by around 9%.	
(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.	

ANNEXURE VI TO THE DIRECTORS' REPORT (Contd.)

(₹ in Lakhs)

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sl.	Name	Designation	Remuneration Received *	Nature of employment whether contractual or otherwise	Qualifications and Experience	Date of commencement of employment	Age (Years)	Last employment held before joining the Company	Name of director of the Company who is a relative
1	Mr. Harsh Vardhan Kanoria	Chairman and Managing Director, Chief Executive Officer	₹ 271.59	Contractual basis	B. Com., 43 Years	1st April, 1981	61	Bengal Tea and Industries Ltd., Wholetime Director	Mrs. Malati Kanoria and Mr. Utkarsh Kanoria
2	Mr. Nawal Kishore Kejriwal	Wholetime Director	₹ 62.69	Contractual basis	B.Com, L.L.B. 50 Years	15th March, 1980	74	Shalimar Wires & Industries Ltd.	None
3	Mr. Debidas Mazumdar	President (Works)	₹ 66.15	Permanent Employee	B.Sc Hons. (Chem.), PG Dip in Jute Technology, AMIE 37 Years	1st September, 1990	63	Budge Budge Co. Ltd.	None
4	Mr. Deo Kishan Moha	President (Corporate Affairs)	₹ 44.34	Permanent Employee	B. Com (Hons), FCS, L.L.B. 42 Years	1st March, 1976	64	Shalimar Wires & Industries Ltd.	None
5	Mr. Utkarsh Kanoria	President	₹ 29.42	Permanent Employee	Bachelor of Science, in Business Administration (Finance) 3 Years	8th August, 2014	24	None	Mr. Harsh Vardhan Kanoria and Mrs. Malati Kanoria
6	Mr. Madhup Kumar Patni	Chief Financial Officer	₹ 35.59	Permanent Employee	B.Com (Hons.), ACA 21 Years	3rd April, 1996	46	None	None
7	Mr. Abhishek Murarka	Chief General Manager	₹ 33.03	Permanent Employee	B.Com 19 Years	8th October, 2010	40	Northbrook Jute Company Limited	None
8	Mr. Manoj Bajaj	General Manager (Commercial)	₹ 31.12	Permanent Employee	B. Com (Hons), FCA, CWA 17 Years	8th September, 2004	43	Greenply Industries Ltd.	None
9	Mr. Shyamal Datta	Group General Manager (MIS)	₹ 30.24	Permanent Employee	BEE, PG Diploma-Computer Science 42 Years	15th December, 1984	66	CESC Ltd.	None
10	Ms. Satarupa Bandyopadhyay	General Manager	₹ 26.88	Permanent Employee	B.Sc Physics (Hons.), B. Tech in Fibre Technology 17 Years	1st February, 2001	43	None	None
11	Mr. Safiqur Rahaman	Manager (Weaving & Finishing)	₹ 22.32	Permanent Employee	B. Sc (Pure), PG Diploma in Jute Tech. B.Tech.(Fibre) 23 Years	6th March, 1998	49	Hooghly Mills Co. Ltd.	None

* Remuneration includes salary, allowances, Company's contribution to provident fund, provision for gratuity, commission on net profit, insurance premiums and value of certain perquisites evaluated on the basis of Income Tax Act and Rules.

For and on behalf of the Board

Harsh Vardhan Kanoria

Chairman and Managing Director,

Chief Executive Officer

DIN : 00060259

Kolkata, 24th May, 2017

ANNEXURE VII TO THE DIRECTORS' REPORT

Form No. MR – 3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[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, 2017 ("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, 2017 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 (Not Applicable to the Company during the audit period);
 - (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 Act and dealing with client (Not Applicable to the Company during the audit period);
 - (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; (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) The Jute Manufactures Cess Act, 1983 and the rules made thereunder;
- (b) Jute & Jute Textiles Control Orders 2000 & 2016 (as applicable) issued under Essential Commodities Act, 1955;
- (c) Indian Boilers Act, 1923 and the rules made thereunder;
- (d) The Special Economic Zones Act, 2005 and the rules made thereunder.

ANNEXURE VII TO THE DIRECTORS' REPORT (Contd.)

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

- (i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreement entered into by the Company with BSE Limited.

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. There has been no change 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,

- i. delegated powers u/s 180(1)(a) of the Companies Act, 2013 to Board of directors to create charge, mortgage and/or hypothecation etc after obtaining approval of shareholders at the annual general meeting held on 29th July, 2016.
- ii. adopted new set of Articles of Association as per the Companies Act 2013, as applicable, after obtaining approval of shareholders at the annual general meeting held on 29th July, 2016.

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 : 24th May, 2017

"ANNEXURE – A"

To,
The Members,
CHEVIOT COMPANY LIMITED

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 responsibilities 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 : 24th May, 2017

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CHEVIOT COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Cheviot Company Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2017;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

INDEPENDENT AUDITORS' REPORT (Contd.)

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, "(the Order)" issued by the Central Government u/s 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that :
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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, and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 on its financial position in its financial statements – Refer note no. 49.b 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.
 - (iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced --- Refer note no.51 to the financial statements.

P-21/22, Radhabazar Street,
Kolkata - 700 001
Dated the 24th day of May, 2017

For **Jain & Co.**
Chartered Accountants
Registration No.: 302023E
CA P. K. Jain
Partner
Membership No. 52018

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(₹ in Lakhs)

Annexure 'A' to the Independent Auditors Report

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) There is a regular program of physical verification by the management, which in our opinion is reasonable, having regard to the size of the Company and the nature of fixed assets. No material discrepancies have been noticed in respect of the assets physically verified during the year.
- 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.
- (ii) a) Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of stocks followed by the management are adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory. No material discrepancies were noticed on verification, between the physical stocks and book records, and the same have been properly dealt with in the books of account.
- (iii) The Company has not granted any loans during the year to the parties covered in the register maintained under Section 189 of the Act. Accordingly the provisions of clauses (iii) (a), (b) & (c) are 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 Sections 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public during the year.
- (vi) On the basis of records produced, we are of the opinion that, prima facie, the cost records prescribed by the Central Government under Section 148 (1) of the Act have been maintained by the Company. However, we are not required to carry out and have not carried out any detailed examination of such cost records.
- (vii) a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Value Added Tax, Excise Duty and Cess and any other statutory dues with the appropriate authorities and there are no undisputed statutory dues outstanding as at 31st March, 2017, for a period of more than six months from the date they became payable.
- b) According to the records of the Company, the following dues are not deposited on account of disputes pending at various forums :

Name of the Statute	Nature of dues	Amount	Year / Period to which amount relates	Forum where dispute is pending
West Bengal Sales Tax Act, 1994	Sales Tax	0.22	1993-94	Revision Level
Income Tax Act, 1961	Income tax	6.36	2009-10	Tribunal Level
		36.24	2010-11	Appeal Level
		3.44	2011-12	Assessing Officer
		15.81	2012-13	Appeal Level
		19.62	2013-14	Appeal Level
Central Excise Act, 1944	Excise Duty	4,764.37	March-11-February-13	Tribunal Level
TOTAL :		4,846.06		

- (viii) Based on the information and explanations given to us, the Company has not defaulted during the year in repayment of loans or borrowings to any financial institution or bank.

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations received, the term loan taken by the Company has been applied for the purpose for which it was raised.
- (x) Based on audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.
- (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 Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company.
- (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.
- (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 them.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Jain & Co.**

Chartered Accountants

Registration No.: 302023E

CA P. K. Jain

Partner

Membership No. 52018

P-21/22, Radhabazar Street,
Kolkata - 700 001

Dated the 24th day of May, 2017

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 31st March 2017 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.

Auditors' 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

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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 31st March 2017, 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.

P-21/22, Radhabazar Street,
Kolkata - 700 001
Dated the 24th day of May, 2017

For **Jain & Co.**
Chartered Accountants
Registration No.: 302023E
CA P. K. Jain
Partner
Membership No. 52018

BALANCE SHEET

as at 31st March, 2017

(₹ in Lakhs)

Particulars	Note	As at 31st March, 2017	As at 31st March, 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	451.48	451.48
Reserves and surplus	3	45,488.97	41,357.95
		45,940.45	41,809.43
Non-current liabilities			
Long-term borrowings	4	2.78	—
Deferred tax liabilities (net)	5	241.12	106.33
Other long-term liabilities	6	12.14	8.05
		256.04	114.38
Current liabilities			
Short-term borrowings	7	1,329.62	1,259.24
Trade payables	8		
Total outstanding dues of micro enterprises and small enterprises		0.02	—
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,165.52	932.54
Other current liabilities	9	375.45	454.07
Short-term provisions	10	507.65	508.71
		3,378.26	3,154.56
TOTAL		49,574.75	45,078.37
ASSETS			
Non-current assets			
Fixed assets	11		
Tangible assets (Property, Plant and Equipment)		14,282.12	14,377.60
Intangible assets		112.28	118.65
Capital work-in-progress		39.77	80.94
Intangible assets under development		1.00	1.00
		14,435.17	14,578.19
Non-current investments	12	19,197.56	16,245.54
Long-term loans and advances	13	78.86	151.26
Other non-current assets	14	308.02	347.51
		34,019.61	31,322.50
Current assets			
Current investments	15	3,636.32	2,503.36
Inventories	16	6,004.57	5,928.92
Trade receivables	17	3,090.04	2,970.27
Cash and bank balances	18	1,151.99	841.14
Short-term loans and advances	19	949.61	979.06
Other current assets	20	722.61	533.12
		15,555.14	13,755.87
TOTAL		49,574.75	45,078.37

The accompanying notes 1 to 53 are an integral part of these financial statements

As per our report attached

For **Jain & Co.**

Chartered Accountants

Registration No. : 302023E

CA P. K. Jain

Partner

Membership No. 52018

Dated the 24th day of May, 2017

For and on behalf of the Board

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

Nawal Kishore Kejriwal
Wholetime Director
(DIN : 00060314)

Navin Nayar
Director
(DIN : 00136057)

CA Madhup Kumar Patni
Chief Financial Officer

CS Aditya Banerjee
Company Secretary

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2017

(₹ in Lakhs)

Particulars	Note	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Revenue from operations (gross)	21	39,288.61	34,533.22
Less : Jute manufacturing cess		267.45	229.42
Revenue from operations (net)		39,021.16	34,303.80
Other income	22	2,334.79	1,271.66
Total revenue		41,355.95	35,575.46
Expenses :			
Cost of materials consumed	23	21,459.75	19,261.23
Changes in inventories of finished goods and work-in-progress	24	255.00	(958.16)
Employee benefits expenses	25	6,153.22	5,658.84
Finance costs	26	61.85	81.63
Depreciation and amortisation expense	27	712.15	572.93
Other expenses	28	6,619.12	5,860.69
Total expenses		35,261.09	30,477.16
Profit before exceptional item and tax		6,094.86	5,098.30
Exceptional item :			
Indirect taxes for earlier year		60.51	—
Profit before tax		6,155.37	5,098.30
Tax expenses :			
Current tax		1,465.00	1,453.00
Tax for earlier year		(0.06)	(0.39)
Deferred tax		134.79	(1.78)
Profit for the year		4,555.64	3,647.47
Earnings per ordinary share (face value of ₹ 10 each)			
Basic & diluted (in ₹)	29	100.98	80.85

The accompanying notes 1 to 53 are an integral part of these financial statements

As per our report attached

For **Jain & Co.**

Chartered Accountants

Registration No. : 302023E

CA P. K. Jain

Partner

Membership No. 52018

Dated the 24th day of May, 2017

For and on behalf of the Board

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

CA Madhup Kumar Patni
Chief Financial Officer

Nawal Kishore Kejriwal
Wholesale Director
(DIN : 00060314)

Navin Nayar
Director
(DIN : 00136057)

CS Aditya Banerjee
Company Secretary

CASH FLOW STATEMENT

(₹ in Lakhs)

for the year ended 31st March, 2017

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	6,155.37	5,098.30
Adjustments for :		
Depreciation and amortisation expense	712.15	572.93
Unrealised foreign exchange differences (gain)/loss	(20.17)	22.61
Profit on sale of fixed assets (net)	(22.81)	(18.31)
Net gain on sale of investment	(1,060.59)	(88.74)
Interest income	(431.78)	(426.85)
Dividend income	(539.64)	(529.24)
Fixed assets written off	1.01	-
Bad debt written off	11.96	-
Provision for doubtful receivables written back	(11.96)	(1.34)
Finance costs	61.85	81.63
Miscellaneous receipts including liabilities written back	(39.02)	(9.75)
Operating profit before working capital changes	4,816.37	4,701.24
Adjustments for :		
Trade receivables	(141.12)	(538.61)
Loans and advances and other assets	(215.39)	(441.86)
Inventories	(75.65)	(1,403.06)
Trade payables, other liabilities and provisions	215.39	280.48
Cash generated from operations	4,599.60	2,598.19
Direct taxes paid	(1,474.55)	(1,494.41)
Net cash from operating activities	3,125.05	1,103.78
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including changes in capital work-in-progress / advances)	(1,030.90)	(663.42)
Capital subsidy received	137.61	33.64
Sale of fixed assets	37.81	31.24
Purchase of investments	(17,578.15)	(17,263.68)
Sale of investments	14,553.76	17,947.46
Decrease in fixed deposits with a maturity more than 90 days	-	99.85
Miscellaneous receipts	13.50	3.93
Interest received	426.91	411.64
Dividend received	527.64	509.06
Net cash (used in)/from investing activities	(2,911.82)	1,109.72

CASH FLOW STATEMENT

for the year ended 31st March, 2017 (Contd.)

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	25.00	-
Repayment of long-term borrowings	(7.41)	(20.00)
Increase / (Decrease) in short term borrowings	70.38	(141.28)
Dividend paid	-	(1,533.82)
Dividend distribution tax paid	-	(312.26)
Finance costs	(61.72)	(62.08)
Net cash from/(used) in financing activities	26.25	(2,069.44)
Net increase in cash and cash equivalents (A+B+C)	239.48	144.06
Cash and cash equivalents (opening balance)	724.01	580.23
Effect of exchange rate changes on cash and cash equivalents	3.27	(0.28)
Cash and cash equivalents (closing balance)	966.76	724.01
Notes to the Cash Flow Statement		
1. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts :		
Cash on hand	3.24	8.46
Balances with banks		
- in current accounts	963.52	715.55
Cash and cash equivalents (closing balance)	966.76	724.01
Add : Restricted cash		
Fixed deposit accounts (under lien)	101.28	2.09
Fractional bonus share account	0.44	0.44
Unpaid dividend accounts	83.51	114.60
Cash and bank balances (closing balance)	1,151.99	841.14
2. The above cash flow statement has been prepared under 'Indirect Method' as set out in the Accounting Standard - 3 on 'Cash Flow Statement'.		
3. Figures in brackets represent outflows / deductions.		
4. Previous year's figures have been re-grouped / re-arranged wherever necessary to make them comparable.		

The accompanying notes 1 to 53 are an integral part of these financial statements

As per our report attached

For **Jain & Co.**

Chartered Accountants

Registration No. : 302023E

CA P. K. Jain

Partner

Membership No. 52018

Dated the 24th day of May, 2017

For and on behalf of the Board

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

Nawal Kishore Kejriwal
Wholetime Director
(DIN : 00060314)

Navin Nayar
Director
(DIN : 00136057)

CA Madhup Kumar Patni
Chief Financial Officer

CS Aditya Banerjee
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2017

1. SIGNIFICANT ACCOUNTING POLICIES

a. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared under the historical cost convention, except for freehold land which has been revalued, on an accrual basis, in accordance with the applicable mandatory Accounting Standards and as per the applicable provisions of the Companies Act, 2013. The accounting policies, unless specifically stated to be otherwise, have been consistently applied by the Company.

b. FIXED ASSETS

I. Tangible Assets (Property, Plant and Equipment)

- i. Property, plant and equipment are stated at cost and/or book value less capital subsidy, accumulated depreciation/amortisation and impairment losses, if any, except freehold land which is stated at revalued amounts.
- ii. Cost comprises purchase price, non-refundable taxes, duties, freight and incidental expenses after deducting trade discounts and rebates related to the acquisition and installation of the assets as well as finance charges wherever applicable relating to borrowed funds attributable to construction/acquisition of assets for the period up to commencement of commercial production/assets put to use.
- iii. Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as considered appropriate, only when it is probable that future economic benefits associated with such item will flow to the entity and the costs can be measured reliably.
- iv. The cost of assets not put to use as at the date of Balance Sheet are disclosed under capital work-in-progress.
- v. In respect of freehold land, the difference between carrying amount of such land as on the date of revaluation and the then replacement value is transferred to revaluation reserve.
- vi. Depreciation and amortisation on property, plant and equipment are charged on the following basis:
 - a) On assets added up to 30th November, 1975, on assets pertaining to Falta Special Economic Zone (SEZ) Unit and on assets added on and after 1st April, 1999 except land and building - written down value method on cost / substituted cost less residual value based on useful lives, as specified in Schedule II of the Companies Act, 2013.
 - b) On assets added from 1st December, 1975 to 31st March, 1999 and on land and building excluding leasehold land and assets pertaining to Falta SEZ Unit- straight line method on cost/substituted cost less residual value based on useful lives, as specified in Schedule II of the Companies Act, 2013.
 - c) Cost of leasehold land is being amortised over the period of lease.
 - d) Depreciation on amounts capitalised on account of foreign exchange fluctuation is provided prospectively over the residual life of the assets.
- vii. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the assets and the resultant gains/losses are recognised in the Statement of Profit and Loss.

II. Intangible Assets

- i. Intangible assets comprise of computer software, expected to provide future enduring economic benefits, are stated at cost less accumulated amortisation and impairment, if any.
- ii. 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2017

- iii. Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as considered appropriate, only when it is probable that future economic benefits associated with such item will flow to the entity and the costs can be measured reliably.
- iv. Intangible assets are amortised over a period of ten years under straight line method.
- v. The cost and related accumulated amortisation are eliminated from the financial statements upon sale or retirement of the assets and the resultant gains/losses are recognised in the Statement of Profit and Loss

c. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is to be charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss, if recognised in any accounting period, is reversible if there is any change in the estimate of recoverable amount.

d. INVESTMENTS

Investments are classified into current and long-term investments. Current investments, except for current maturities of long-term investments, are stated at the lower of cost and fair value. Long-term investments are stated at cost less provision, if any, for diminution other than temporary diminution in the value of such investments.

Market value of quoted mutual funds is arrived at by considering Net Asset Value (NAV).

e. FOREIGN CURRENCY TRANSACTIONS

- i. Transactions in foreign currency, other than those relating to fixed assets, are recorded in equivalent rupee value at rates existing at the time at which transactions take place. Year end balances in current assets and liabilities are restated at the year end exchange rate and the resultant translation gains/losses, if any, arising thereon are credited/charged to the Statement of Profit and Loss.
- ii. In respect of transactions covered by forward exchange contracts, premium or discount, where there are underlying assets / liabilities, is amortised as income or expense in the Statement of Profit and Loss over the life of the contract. Further, exchange difference on such contracts i.e. difference between the exchange rate at the reporting/settlement date and the exchange rate on the date of inception/the last reporting date, is recognised as income or expense for the period.
- iii. Outstanding forward contracts for firm commitment and highly probable forecast transactions are marked to market and the resultant translation gains/losses, if any, arising thereon are credited/charged to the Statement of Profit and Loss in accordance with guidance note on Accounting for Derivatives Contracts issued by the Institute of Chartered Accountants of India effective from 1st April, 2016.

f. INVENTORIES

- i. 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 is computed on weighted average basis.
- ii. 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, cess and other costs incurred in bringing the inventories to their present location and condition. Cost is computed on weighted average basis.

Adequate provision is made for obsolete and slow-moving stocks, wherever necessary.

g. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances on hand, cash balances with banks and highly liquid and readily convertible financial instruments with original maturities, at the date of purchase/investment, of three months or less.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2017

h. BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset is capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of Profit and Loss in the period in which they are incurred.

i. RETIREMENT BENEFITS

i. Defined Contribution Plans

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 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.

ii. Defined Benefit Plans

Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation made at the end of each financial year using projected unit credit method.

Short term compensated absences are recognised on an undiscounted, accrual basis during the period when the employee renders service. Long-term compensated absences are provided for based on actuarial valuation.

Actuarial gains/losses are recognised immediately in the Statement of Profit and Loss.

j. REVENUE RECOGNITION

i. Sales are recognised on transfer of significant risks and rewards of ownership of the goods to the buyer for a consideration. Sales are net of sales tax, VAT and returns. Cess recovered from buyers separately is shown as reduction from sales, whereas cess on other sales which is not recovered is charged to the Statement of Profit and Loss.

ii. Interest Income is accounted for on time proportion basis taking into account the amount outstanding and rate applicable.

iii. Dividend income is accounted for in the year in which the right to receive the same is established.

iv. Revenue generated out of and related to Company's normal operations is considered as other operating revenue.

k. GOVERNMENT GRANTS

Grants from Government are recognised on compliance of conditions and on reasonable assurance of the same being received. Capital incentives are shown as deduction from the gross value of the specific fixed assets. Revenue grants related to export incentives are shown under the head of other operating revenue and other grants are deducted from the related expense.

l. DIVIDEND

Proposed dividend on ordinary shares is recognised as liability on date of approval by shareholders and interim dividends are recognised as liability on date of declaration by the Board of directors of the Company.

m. PROVISIONS FOR CURRENT TAX AND DEFERRED TAX

Provision for current tax is computed after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from timing difference between book profits and taxable profits is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2017

date. Deferred tax asset is recognised and carried forward if there is a reasonable certainty that the asset will be realised in future.

n. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

(₹ in Lakhs)

	As at 31st March, 2017		As at 31st March, 2016	
2. SHARE CAPITAL				
Authorised				
70,00,000 (Previous year 70,00,000) Ordinary shares of ₹ 10/- each	700.00		700.00	
Issued and Subscribed				
45,11,250 (Previous year 45,11,250) Ordinary shares of ₹ 10/- each fully paid-up	451.13		451.13	
7,000 (Previous year 7,000) Ordinary shares of ₹ 10/- each not fully paid-up and forfeited (amount originally paid-up)	0.35		0.35	
	451.48		451.48	
	No. of Shares		No. of Shares	
Reconciliation of Number of Shares				
Shares outstanding at the beginning of the year	45,11,250		45,11,250	
Shares outstanding at the end of the year	45,11,250		45,11,250	
25,74,081 shares (Previous year 25,74,081 shares) are held by the Holding Company, Harsh Investments Private Limited				
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 and is entitled to dividend and to participate in surplus, if any, in the event of winding up.				
	Number of Shares	%	Number of Shares	%
List of shareholders holding more than 5% shares of total number of shares issued by the Company :				
Harsh Investments Private Limited (Holding Company)	25,74,081	57.06	25,74,081	57.06
Mr. Harsh Vardhan Kanoria	3,43,840	7.62	3,43,840	7.62
Mrs. Malati Kanoria	2,85,150	6.32	2,85,150	6.32

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2017

(₹ in Lakhs)

	As at 31st March, 2017	As at 31st March, 2016
3. RESERVES AND SURPLUS		
Capital Reserve		
As per last Balance Sheet	0.24	0.24
Capital Redemption Reserve		
As per last Balance Sheet	9.92	9.92
Securities Premium Account		
As per last Balance Sheet	1,242.50	1,242.50
Revaluation Reserve		
As per last Balance Sheet	10,068.77	6,697.69
Add : Increase on revaluation made as on 31st March 2016	-	3,390.16
	10,068.77	10,087.85
Less : Reversal on adoption of cost model in respect of certain fixed assets (Refer Note 31)	424.62	-
Less : Transfer to general reserve towards current year depreciation	-	17.42
Less : Transfer to general reserve on disposal of fixed assets	-	1.66
	9,644.15	10,068.77
Special Economic Zone Re-investment Reserve Account (for claiming deduction u/s 10AA of the Income Tax Act, 1961)		
As per last Balance Sheet	628.26	702.13
Add : Transfer from surplus out of profit for the year	300.00	25.00
	928.26	727.13
Less : Utilised during the year transfer to general reserve	111.28	98.87
Less : Unutilised amount out of reserve created in financial year 2012-13 now transferred to general reserve on expiry of a period of three years	53.26	-
	763.72	628.26
General Reserve		
As per last Balance Sheet	28,823.76	26,055.81
Add : Transfer from surplus	4,200.00	2,650.00
Add : Transfer from special economic zone re-investment reserve account	164.54	98.87
Add : Transfer from revaluation reserve	-	19.08
	33,188.30	28,823.76
Surplus		
As per last Balance Sheet	584.50	535.07
Add : Profit for the year	4,555.64	3,647.47
	5,140.14	4,182.54
Less : Appropriations		
Interim dividend paid	-	766.91
Tax on interim dividend	-	156.13
Transfer to general reserve	4,200.00	2,650.00
Transfer to special economic zone re-investment reserve account	300.00	25.00
	640.14	584.50
	45,488.97	41,357.95

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2017

(₹ in Lakhs)

	As at 31st March, 2017	As at 31st March, 2016
4. LONG - TERM BORROWINGS		
Term loan (secured)		
From Export Import Bank of India	2.78	—
	2.78	—

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.

Current maturities of long-term loan amounting to ₹ 14.81 (Previous year ₹ Nil) are disclosed under 'Other current liabilities'-(Refer Note 9).

Outstanding amount including current maturities is repayable in 4 equal quarterly installments of ₹ 3.70 each and balance amount of ₹ 2.78 by May, 2018.

5. DEFERRED TAX LIABILITIES (NET)		
Deferred tax liabilities		
Related to fixed assets	251.70	241.46
Others	125.01	—
Deferred tax assets		
Disallowances under the Income Tax Act, 1961	135.59	135.13
Net deferred tax liabilities	241.12	106.33

6. OTHER LONG - TERM LIABILITIES		
Others		
Security deposits	12.14	8.05
	12.14	8.05

7. SHORT - TERM BORROWINGS		
Working capital loan (secured)		
From State Bank of India		
Cash credit account	1,329.62	816.64
Pre-shipment credit in foreign currency	—	442.60
	1,329.62	1,259.24

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.

8. TRADE PAYABLES		
Trade payables		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 35)	0.02	—
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,165.52	932.54
	1,165.54	932.54

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2017

(₹ in Lakhs)

	As at 31st March, 2017	As at 31st March, 2016
9. OTHER CURRENT LIABILITIES		
Current maturities of long term debt (Refer Note 4)	14.81	—
Unpaid dividends **	83.51	114.60
Other payables		
Fractional bonus share proceeds unclaimed	0.44	0.44
Advance from customers	78.83	89.60
Creditors for capital expenditure	2.00	2.04
Statutory dues	185.34	243.29
Security deposits	10.52	4.10
	375.45	454.07

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

10. SHORT - TERM PROVISIONS		
Provision for employee benefits (Refer Note 46)		
Unencashed leave	305.63	293.03
Others		
Income tax (net of advance tax)	15.90	29.56
Contingencies (Refer Note 49)	186.12	186.12
	507.65	508.71

11. FIXED ASSETS

PARTICULARS	GROSS BLOCK				Estimated Cost / Revaluation and / or Book Value as at 31st March, 2017	DEPRECIATION AND AMORTISATION					NET BLOCK	
	Estimated Cost / Revaluation and / or Book Value as at 31st March, 2016	Additions during the Year	Reversal of Revaluation (Refer Note 31)	Deductions/ Adjustments during the year		Upto 31st March, 2016	Adjusted on Reversal of Revaluation (Refer Note - 31)	For the Year	Deductions	Upto 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
Tangible Assets (Property, Plant and Equipment)												
Freehold land	9,647.26	–	–	–	9,647.26	–	–	–	–	–	9,647.26	9,647.26
Leasehold land	23.16	–	–	–	23.16	4.10	–	0.24	–	4.34	18.82	19.06
Buildings	7,601.93	233.86	3,594.93	–	4,240.86	4,568.44	3,236.88	101.29	–	1,432.85	2,808.01	3,033.49
Plant and equipment	11,231.94	755.37	3,831.75	226.83	7,928.73	9,775.01	3,779.65	525.43	126.92	6,393.87	1,534.86	1,456.93
Electrical installations and equipments	1,394.42	47.51	466.62	23.12	952.19	1,293.31	452.15	20.26	20.27	841.15	111.04	101.11
Furniture and fixtures	338.73	8.41	–	–	347.14	299.20	–	11.34	–	310.54	36.60	39.53
Vehicles	139.51	38.14	–	13.26	164.39	78.09	–	25.26	9.85	93.50	70.89	61.42
Office equipments	312.57	49.47	–	89.83	272.21	293.77	–	12.51	88.71	217.57	54.64	18.80
	30,689.52	1,132.76	7,893.30	353.04	23,575.94	16,311.92	7,468.68	696.33	245.75	9,293.82	14,282.12	14,377.60
Capital work-in-progress	80.94	35.22	–	76.39	39.77	–	–	–	–	–	39.77	80.94
Sub Total (A)	30,770.46	1,167.98	7,893.30	429.43	23,615.71	16,311.92	7,468.68	696.33	245.75	9,293.82	14,321.89	14,458.54
Intangible Assets (acquired)												
Computer software	189.32	9.63	–	8.63	190.32	70.67	–	15.82	8.45	78.04	112.28	118.65
Intangible assets under development	1.00	–	–	–	1.00	–	–	–	–	–	1.00	1.00
Sub Total (B)	190.32	9.63	–	8.63	191.32	70.67	–	15.82	8.45	78.04	113.28	119.65
Total (A+B)	30,960.78	1,177.61	7,893.30	438.06	23,807.03	16382.59	7,468.68	712.15	254.20	9,371.86	14,435.17	14,578.19
Previous Year	27,139.20	600.53	3,390.16	169.11	30,960.78	15921.25	–	572.93	111.59	16,382.59	14,578.19	–

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2017

(₹ in Lakhs)

	Face Value per share/ unit (₹)	As at 31st March, 2017		As at 31st March, 2016	
		Shares / Units	Amount	Shares / Units	Amount
12. NON - CURRENT INVESTMENTS					
Long Term Investments - At cost					
A. Non Trade Investments (Quoted)					
(a) Investments in Equity Instruments - Fully paid-up					
Infosys Limited	5	5,000	51.94	5,000	51.94
Reliance Communications Limited	5	—	—	10,000	32.29
Reliance Infrastructure Limited	10	—	—	2,500	38.79
(b) Investments in Preference Shares - Fully paid-up					
Zee Entertainment Enterprises Limited					
6.00% Non-Convertible Bonus Preference Shares	8 **	8,000,000	545.30 *	60,000,000	501.39
(**Face value changed from ₹ 1/- to ₹ 10/- per share due to which numbers of shares decreased from 60,000,000 shares to 6,000,000 shares. Further, 20% of face value is redeemable at par every year starting from 05/03/2018 which is shown under Current Investments)					
Infrastructure Leasing & Financial Services Limited					
16.46% Non-Convertible Redeemable Cumulative Preference Shares	7,500	1,360	204.00	1,360	204.00
(c) Investments in Debentures or Bonds - Fully paid-up					
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 68B, 08-MAR-2020	1,00,000	300	302.80	300	302.80
6.32% Tax Free Bonds, Series 73A, 20-DEC-2017	1,00,000	—	— *	200	200.00
6.72% Tax Free Bonds, Series 73B, 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
National Bank for Agriculture and Rural Development					
Zero Coupon Bonds, Series BNB JAN 2019	20,000	4,700	548.88	8,500	992.66
National Highways Authority of India					
8.30% Tax Free Bonds, Option Tranche 1, Series 2 (II), 25-JAN-2027	1,000	4,945	49.45	4,945	49.45
8.50% Tax Free Bonds, Option Tranche I, Series IIA, 05-FEB-2029	1,000	40,000	400.00	40,000	400.00
7.28% Tax Free Bonds Series - II B, 18-SEP-2030	1,000,000	20	200.26	20	200.26
National Housing Bank					
8.76% Tax Free Bonds, Tranche I, Series 3A, 13-JAN-2034	5,000	6,166	315.00	6,166	315.00
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	100,000	400	400.00	400	400.00
7.35% Tax Free Bonds, Series 3 A, 17-OCT-2035	1,000	2,567	25.67	2,567	25.67
Rural Electrification Corporation Limited					
Zero Coupon Bonds, 15-DEC-2020	30,000	2,000	268.20	2,000	268.20
8.46% Tax Free Bonds, Tranche I, Series 2A, 24-SEP-2028	1,000	50,000	500.00	50,000	500.00
Carried Over ...			6,297.32		6,968.27

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2017

(₹ in Lakhs)

	Face Value per share/ unit (₹)	As at 31st March, 2017		As at 31st March, 2016	
		Shares / Units	Amount	Shares / Units	Amount
Brought Forward ...			6,297.32		6,968.27
(d) Investments in Mutual Funds					
DSP BlackRock Mutual Fund					
DSP BlackRock FMP Series 196 - 37M - Direct - Growth	10	50,00,000.000	500.00	-	-
HDFC Mutual Fund					
HDFC FMP 1875D August 2013 (1) Series 27 - Direct - Growth	10	50,00,000.000	500.00	50,00,000.000	500.00
HDFC FMP 1167D January 2016 (1) Series 35 - Direct - Growth	10	50,00,000.000	501.99	50,00,000.000	501.99
HDFC FMP 1114D March 2016 (1) Series 35 - Direct - Growth	10	50,00,000.000	498.23	-	-
HDFC FMP 1309D September 2016 (1) Series 37 - Direct - Growth	10	50,00,000.000	507.23	-	-
ICICI Prudential Mutual Fund					
ICICI Prudential FMP Series 69 - 1821 Days Plan I Regular Plan Cumulative	10	5,00,000.000	500.00	5,00,000.000	500.00
ICICI Prudential FMP Series 77 - 1151 Days Plan S Direct Cumulative	10	2,00,000.000	200.00	2,00,000.000	200.00
IDFC Mutual Fund					
IDFC Fixed Term Plan Series 131 Direct Plan Growth	10	7,00,000.000	700.00	-	-
Kotak Mahindra Mutual Fund					
Kotak FMP Series 181 Direct - Growth	10	3,00,000.000	300.00	3,00,000.000	300.00
Kotak FMP Series 202 Direct - Growth	10	5,00,000.000	500.00	-	-
L&T Mutual Fund					
L&T FMP Series XIV Scheme A (1233D) - Growth	10	3,00,000.000	300.84	-	-
Reliance Mutual Fund					
Reliance Capital Builder Fund II- Series A - Dividend Plan - Dividend Payout	10	-	- *	3,00,000.000	300.00
Reliance Fixed Horizon Fund - XXVIII - Series 14 - Growth Plan	10	3,00,000.000	300.00	3,00,000.000	300.00
Reliance Fixed Horizon Fund - XXVIII - Series 18 - Direct - Growth Plan	10	2,00,000.000	200.00	2,00,000.000	200.00
Reliance Fixed Horizon Fund - XXXII - Series 4 - Direct - Growth Plan	10	3,00,000.000	300.00	-	-
Reliance Fixed Horizon Fund - XXXIII - Series 3 - Direct - Growth Plan	10	4,00,000.000	400.00	-	-
UTI Mutual Fund					
UTI Fixed Term Income Fund Series XXII-VIII(1099 Days)-Direct Growth Plan	10	3,00,000.000	300.00	3,00,000.000	300.00
B. Non Trade Investments (Unquoted)					
(a) Investments in Equity Instruments - Fully paid-up					
Cheviot International Limited	10	20	-	20	-
Woodlands Multispeciality Hospital Limited	10	3,190	0.32	3,190	0.32
(b) Investments in Mutual Funds					
Birla Sun Life Mutual Fund					
Birla Sun Life India Reforms Fund - Dividend - Regular Plan - Payout	10	-	-	5,239,765.204	573.23
Birla Sun Life India Reforms Fund - Dividend - Direct Plan - Payout	10	4,016,805.113	683.26	-	-
Birla Sun Life Frontline Equity Fund - Dividend - Regular Plan - Payout	10	-	-	2,742,583.223	624.47
Birla Sun Life Frontline Equity Fund - Dividend - Direct Plan - Payout	10	1,796,672.614	781.01	-	-
Edelweiss Mutual Fund (Formerly J.P. Morgan Mutual Fund)					
Edelweiss Government Securities Fund - Regular Plan - Growth Option	10	4,433,803.316	500.00	4,433,803.316	500.00
Franklin Templeton Mutual Fund					
Franklin India High Growth Companies Fund - Dividend Payout	10	810,110.175	200.00	810,110.175	200.00
Franklin India High Growth Companies Fund - Dividend - Direct Plan - Payout	10	1,137,820.391	300.00	1,137,820.391	300.00
HDFC Mutual Fund					
HDFC Equity Fund - Dividend - Payout	10	-	-	1,726,932.322	978.39
HDFC Equity Fund - Direct Plan - Dividend - Payout	10	1,827,458.694	960.69	-	-
HDFC Mid-Cap Opportunities Fund - Dividend - Payout	10	-	-	767,548.068	201.57
HDFC Mid-Cap Opportunities Fund - Direct Plan - Dividend - Payout	10	713,754.868	248.90	-	-
HDFC Gilt Fund Long Term - Growth	10	-	-	703,687.675	200.00
Carried Over ...			16,479.79		13,648.24

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2017

(₹ in Lakhs)

	Face Value per share/unit (₹)	As at 31st March, 2017		As at 31st March, 2016	
		Shares / Units	Amount	Shares / Units	Amount
Brought Forward ...			16,479.79		13,648.24
ICICI Prudential Mutual Fund					
ICICI Prudential Gilt Fund Investment Plan PF - Option Regular Plan	10	–	–	728,175.665	200.00
ICICI Prudential Value Discovery Fund - Regular Plan - Dividend Payout	10	–	–	1,602,728.191	500.00
ICICI Prudential Value Discovery Fund - Direct Plan - Dividend Payout	10	1,101,125.314	544.92	–	–
ICICI Prudential Dynamic - Regular Plan Dividend Payout	10	–	–	2,152,217.612	414.07
ICICI Prudential Dynamic - Direct Plan Dividend Payout	10	2,099,818.987	541.71	–	–
JM Financial Mutual Fund					
JM Arbitrage Advantage Fund - Direct - Annual Bonus option - Bonus units	10	–	–	954,993.397	96.91
Reliance Mutual Fund					
Reliance Equity Opportunities Fund - Regular Plan - Dividend Payout	10	–	–	2,906,451.846	886.32
Reliance Equity Opportunities Fund - Direct Plan - Dividend Payout	10	2,652,712.993	931.14	–	–
SBI Mutual Fund					
SBI Blue Chip Fund - Direct Plan - Dividend Payout	10	3,108,779.687	600.00	2,639,349.013	500.00
(c) Investments in Alternative Investment Funds					
IIFL Asset Management					
IIFL Special Opportunities Fund	10	500,000.000	50.00	–	–
IIFL Re-organize India Equity Fund	10	500,000.000	50.00	–	–
Total Non-Current Investments			19,197.56		16,245.54
Aggregate Book value of Quoted Investments			12,805.61		10,070.26
Market value of Quoted Investments			15,004.63		11,502.39
Aggregate Book value of Unquoted Investments			6,391.95		6,175.28

* Current year figures / part figures have been shown in current investments (Refer Note 15) under the head of current maturities of long-term investments as these are maturing within 12 months from the reporting date.

	As at 31st March, 2017	As at 31st March, 2016
13. LONG - TERM LOANS AND ADVANCES		
(unsecured, considered good)		
Capital advances	6.25	76.57
Security deposits	49.10	49.09
Other loans and advances		
Prepaid expenses	2.54	8.92
Advance to employees	20.97	16.68
	78.86	151.26
14. OTHER NON - CURRENT ASSETS		
Others		
Fixed deposit accounts with banks (maturity over 12 months)*	200.36	299.55
Interest accrued on fixed deposits	0.65	0.53
Indirect taxes refundable [net of provision ₹ 7.48 (previous year ₹ 7.48)]	101.24	41.66
Advance payment of tax and refund due	5.77	5.77
	308.02	347.51

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2017

(₹ in Lakhs)

	Face Value per share / unit (₹)	As at 31st March, 2017		As at 31st March, 2016	
		Shares / Units	Amount	Shares / Units	Amount
15. CURRENT INVESTMENTS					
A. Current maturities of Long-Term Investments (At cost)					
(a) Investment in Preference Share - Fully paid-up (Quoted)					
Zee Entertainment Enterprises Limited					
6.00% Non-Convertible Bonus Preference Shares	2 **	8,000,000	136.32 *	–	–
** Refer note no. 12 (A) (b)					
(b) Investments in Debentures or Bonds - Fully paid-up (Quoted)					
Indian Railway Finance Corporation Limited					
6.30% Tax Free Bonds, Series 68 A, 08-MAR-2017	100,000	–	–	100	100.00
6.32% Tax Free Bonds, Series 73 A, 20-DEC-2017	100,000	200	200.00 *	–	–
India Infoline Finance Limited					
Nifty Linked Debenture 04-JUL-2016	100,000	–	–	160	203.36
(c) Investments in Mutual Funds (Quoted)					
Birla Sun Life Mutual Fund					
Birla Sun Life Fixed Term Plan - Series EN - Growth	10	–	–	20,00,000.000	200.00
L&T Mutual Fund					
L&T FMP - VII (April 1124D A) - Growth	10	–	–	50,00,000.000	500.00
Reliance Mutual Fund					
Reliance Fixed Horizon Fund - XXIII - Series 8 - Direct Growth Plan	10	–	–	5,00,000.000	500.00
Reliance Fixed Horizon Fund - XXIV - Series 2 - Growth Plan	10	–	–	5,00,000.000	500.00
Reliance Capital Builder Fund II - Series A - Dividend Plan - Dividend Payout	10	3,00,000.000	300.00 *	–	–
Total current maturities of Long-Term Investments			636.32		2,003.36
B. Other Current Investments (At lower of cost and fair value)					
Investments in Mutual Funds (Unquoted)					
Birla Sun Life Mutual Fund					
Birla Sun Life Cash Plus - Growth - Direct Plan	100	503,782.772	1,300.00	205,694.450	500.00
ICICI Prudential Mutual Fund					
ICICI Prudential Liquid - Direct - Growth	100	498,659.645	1,200.00	–	–
SBI Mutual Fund					
SBI Premier Liquid Fund - Direct Plan - Growth	1,000	19,915.679	500.00	–	–
Total Other Current Investments			3,000.00		500.00
Total Current Investments			3,636.32		2,503.36
Aggregate Book value of Quoted Investments			636.32		2,003.36
Market value of Quoted Investments			707.80		2,537.57
Aggregate Book value of Unquoted Investments			3,000.00		500.00

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2017

(₹ in Lakhs)

	As at 31st March, 2017	As at 31st March, 2016
16. INVENTORIES		
Raw materials	3,461.25	3,174.57
Work-in-progress	576.76	610.38
Finished goods [includes in transit ₹ 127.69 (Previous year ₹ 52.93)]	1,698.92	1,920.30
Stores and spares [includes in transit ₹ Nil (Previous year ₹ 3.83)]	266.67	223.07
Loose tools	0.97	0.60
	6,004.57	5,928.92
17. TRADE RECEIVABLES		
(unsecured, considered good, unless otherwise stated)		
Outstanding for a period exceeding six months		
Considered good	59.43	94.52
Doubtful	-	11.96
Less : Provision for doubtful receivables	-	(11.96)
Other receivables		
Considered good	3,030.61	2,875.75
	3,090.04	2,970.27
18. CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash on hand	3.24	8.46
Balances with banks		
in current accounts	963.52	715.55
	966.76	724.01
Other bank balances		
Fixed deposit accounts *	101.28	2.09
Fractional bonus share account	0.44	0.44
Unpaid dividend accounts	83.51	114.60
	185.23	117.13
	1,151.99	841.14

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

Fixed deposit accounts with maturity of more than 12 months amounting to ₹ 200.36 (Previous year ₹ 299.55) being non-current has been shown under the head other non-current assets (Refer Note 14).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2017

(₹ in Lakhs)

	As at 31st March, 2017	As at 31st March, 2016
19. SHORT - TERM LOANS AND ADVANCES		
(unsecured, considered good)		
Others		
Balances with customs, excise etc.	0.02	0.01
Excise duty paid under protest *	110.73	110.73
Indirect taxes paid against demand	185.62	185.65
Excess of plan assets over defined benefit obligation (Refer Note 46)	408.35	383.38
Prepaid expenses	143.33	143.39
Other loans and advances **	101.56	155.90
	949.61	979.06

* 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.

** Includes primarily advance against purchases, loans to employees.

20. OTHER CURRENT ASSETS		
Interest accrued on investments, fixed and security deposits	109.28	107.45
Government grants receivable	515.76	368.29
Indirect taxes refundable	12.73	5.92
Other receivables *	84.84	51.46
	722.61	533.12

* Includes primarily amount receivable against dividend and insurance claim.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2017

(₹ in Lakhs)

	For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
21. REVENUE FROM OPERATIONS		
Sale of products	38,532.74	33,880.62
Other operating revenues	755.87	652.60
Revenue from operations (gross)	39,288.61	34,533.22
Less : Jute manufacturing cess	267.45	229.42
Revenue from operations (net)	39,021.16	34,303.80
22. OTHER INCOME		
Interest income		
On long-term investments	402.67	394.16
On fixed deposits	27.56	30.00
Others	1.55	2.69
	431.78	426.85
Dividend income		
On long-term investments	539.64	500.55
On current investments	-	28.69
	539.64	529.24
Net gain on sale of investments		
On long-term investments	953.86	49.39
On current investments	106.73	39.35
	1,060.59	88.74
Profit on sale of fixed assets (net)	22.81	18.31
Net gain on foreign currency transactions and translation (other than considered as finance cost)	224.62	194.40
Provision for doubtful receivables written back	11.96	-
Other non-operating income	43.39	14.12
	2,334.79	1,271.66
23. COST OF MATERIALS CONSUMED		
Raw jute	19,969.26	17,972.08
Jute yarn	1,470.16	1,285.53
Others	20.33	3.62
	21,459.75	19,261.23
24. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
Closing stock		
Finished goods	1,698.92	1,920.30
Work-in-progress	576.76	610.38
	2,275.68	2,530.68
Opening stock		
Finished goods	1,920.30	1,180.52
Work-in-progress	610.38	392.00
	2,530.68	1,572.52
	255.00	(958.16)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2017

(₹ in Lakhs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
25. EMPLOYEE BENEFITS EXPENSES		
Salaries, wages, bonus etc.	5,493.90	5,081.28
Contribution to provident and other funds	577.75	502.90
Staff welfare expenses	81.57	74.66
	6,153.22	5,658.84
26. FINANCE COSTS		
Interest expenses	44.21	75.58
Other borrowing costs	21.12	11.99
Applicable net gain on foreign currency transactions and translation	(3.48)	(5.94)
	61.85	81.63
27. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation and amortisation (Refer Note 11)	712.15	572.93
	712.15	572.93
28. OTHER EXPENSES		
Consumption of stores and spare parts (Refer Note 36)	2,086.29	1,869.69
Power and fuel	1,641.62	1,513.45
Processing charges	531.00	419.82
Rent	103.70	64.24
Rates and taxes	21.72	26.48
Repairs to buildings	392.25	389.31
Repairs to machinery	75.34	82.23
Repairs to others	86.60	359.85
Insurance	96.43	71.33
Donation	400.00	-
Expenditure towards CSR (Refer Note 37)	81.19	73.27
Delivery charges	468.14	450.90
Jute manufacturing cess (Refer Note 38)	27.13	39.49
Fixed assets written off	1.01	-
Miscellaneous expenses	585.81	492.27
Bad debt written off	11.96	-
Provision for doubtful receivables	-	(1.34)
Payment to auditors		
Audit fees	5.18	5.15
For other services	3.36	4.21
For reimbursement of expenses	0.39	0.34
	6,619.12	5,860.69

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2017

(₹ in Lakhs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
29. EARNINGS PER SHARE IN ACCORDANCE WITH ACCOUNTING STANDARD (AS) - 20		
Net Profit after tax as per Statement of Profit and Loss (in ₹)	4,555.64	3,647.47
Weighted average number of ordinary shares	45,11,250	45,11,250
Basic and diluted earnings per ordinary share (in ₹)	100.98	80.85
Face value per ordinary share (in ₹)	10.00	10.00

30. 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 and 31st March, 2016 and the resultant increase was ₹ 1,548.11, ₹ 1,630.64, ₹ 3,075.24 and ₹ 3,390.16 respectively with last revalued amount at ₹ 9,647.26.

31. In accordance with Accounting Standard 10 on property plant and equipment, effective from 1st April, 2016, of Companies (Accounting Standards) Rules, 2006, the Company has adopted the cost model as its accounting policy on all the assets, except freehold land which continues to appear at revalued figures. Till 31st March, 2016, the Company has been charging depreciation on historical cost convention on all its assets with the exception of certain tangible assets (buildings, plant & equipment and electrical installations & equipments) which were revalued and depreciated on replacement values as prevalent during those years.

As a result, the amount appearing in the revaluation reserve amounting to ₹ 424.62 as on 1st April, 2016, in respect of buildings revalued in the years ended 31st March, 1997 and 31st March, 2003 as well as of plant & equipment and electrical installations & equipments revalued in the years ended 31st March, 1998 and 31st March, 2003, have been adjusted against the carrying amount of the respective item of assets.

On account of the change in the accounting policy, the charge of depreciation for the year is lower by ₹ 17.41 and the profit on sale of fixed assets is higher by ₹ 2.46 with profits for the year correspondingly higher to that extent. Further, on account of such change, charge of depreciation for the year is not comparable with that of previous year.

32. Certain components identified by the Company under the head plant and machinery having a variable useful life have been depreciated at their respective useful lives ranging between 4 and 10 years.

33. Capital commitments not provided for at the date of this balance sheet are estimated at ₹ 52.87 (Previous year ₹ 893.86) in respect of tangible assets, ₹ 4.70 (Previous year ₹ 6.36) in respect of intangible assets and ₹ 300.00 (Previous year ₹ Nil) in respect of investments after netting of advances paid / amount invested.

34. Computer software comprising of Oracle ERP Software, considered material, has a carrying amount of ₹ 62.97 (previous year ₹ 72.08), as on 31st March, 2017, to be amortised over the remaining period of six years and eleven months.

35. Based on the information available with the Company, the principal amount due to Micro and Small Enterprises, as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) is ₹ 0.02 (Previous year ₹ Nil). Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.

36. Total stores and spare parts consumed during the year are ₹ 2,441.22 (Previous year ₹ 2,332.95) and include ₹ 354.93 (Previous year ₹ 463.26) debited to relevant expense heads.

37. Expenditure towards corporate social responsibility (CSR) :

- As per Section 135 of the Companies Act, 2013, gross amount required to be spent by the Company for expenditure towards CSR during the year is ₹ 80.34 (previous year ₹ 72.78).
- Amount spent during the year on :

	In cash	Yet to be paid in cash	Total
(i) Construction/ acquisition of any asset	—	—	—
(ii) On purposes other than (i) above	81.19	—	81.19

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2017

(₹ in Lakhs)

- c) Amount spent during the year includes an amount of ₹ 40.00 (previous year ₹ 40.00) contributed to Jan Priya Trust, a registered trust over which a key management person and his relatives have a significant influence.

38. Jute manufacturing cess, debited under other expenses in Note 28, includes (decrease) / increase in cess, on account of difference between the closing and opening stock of finished goods amounting to (₹ 2.15) (previous year ₹ 4.89).

39. Exposures in foreign currency :-

	Foreign Currency	As at 31st March, 2017			As at 31st March, 2016		
		Exchange Rate (₹)	Amount in Foreign currency	Amount (₹ in Lakhs)	Exchange Rate (₹)	Amount in Foreign currency	Amount (₹ in Lakhs)
<u>I. ASSETS</u>							
Receivable	USD	64.8386	20,32,967	1,318.15	65.2019	12,35,705	805.70
	Euro	69.2476	2,29,601	158.99	73.3300	4,18,735	307.06
Other Monetary assets	USD	64.8386	4,91,644	318.77	65.5456	3,09,014	202.55
	Euro	69.2476	2,26,796	157.05	73.5232	2,06,498	151.82
Total Receivables (A)				1,952.96			1,467.13
Hedges by derivative contracts	USD	64.8386	3,00,000	194.51	65.4100	1,82,620	119.45
	Euro	69.2476	1,00,000	69.25	73.7200	2,90,000	213.79
Total Hedges by derivative contracts (B)				263.76			333.24
Unhedged receivables (C=A-B)	<i>USD</i>	<i>64.8386</i>	<i>22,24,611</i>	<i>1,442.41</i>	<i>65.2519</i>	<i>13,62,099</i>	<i>888.80</i>
	<i>Euro</i>	<i>69.2476</i>	<i>3,56,397</i>	<i>246.79</i>	<i>73.1117</i>	<i>3,35,233</i>	<i>245.09</i>
Unhedged receivables (C)				1,689.20			1,133.89
<u>II. LIABILITIES</u>							
Payable	USD	64.8386	3,23,098	209.49	66.9000	91,500	61.21
	Euro	69.2476	2,000	1.39	76.3376	14,213	10.85
Borrowings	USD	-	-	-	66.7700	6,62,875	442.60
Total Payables (D)				210.88			514.66
Hedges by derivative contracts (E)	-	-	-	-	-	-	-
Unhedged Payables (F=D-E)	<i>USD</i>	<i>64.8386</i>	<i>3,23,098</i>	<i>209.49</i>	<i>66.7858</i>	<i>7,54,375</i>	<i>503.81</i>
	<i>Euro</i>	<i>69.2476</i>	<i>2,000</i>	<i>1.39</i>	<i>76.3376</i>	<i>14,213</i>	<i>10.85</i>
Unhedged payables (F)				210.88			514.66
<u>III. Contingent Liabilities and Commitments</u>							
Contingent Liabilities	-	-	-	-	-	-	-
Commitments	USD	64.8386	9,80,400	635.68	67.4427	24,71,300	1,666.71
	Euro	69.2476	7,00,000	484.73	72.4775	14,30,000	1,036.43
Total (G)				1,120.41			2,703.14
Hedges by derivative contracts (H)	-	-	-	-	-	-	-
Unhedged Payables (I=G-H)	<i>USD</i>	<i>64.8386</i>	<i>9,80,400</i>	<i>635.68</i>	<i>67.4427</i>	<i>24,71,300</i>	<i>1,666.71</i>
	<i>Euro</i>	<i>69.2476</i>	<i>7,00,000</i>	<i>484.73</i>	<i>72.4775</i>	<i>14,30,000</i>	<i>1,036.43</i>
Unhedged payables (I)				1,120.41			2,703.14
Total unhedged FC Exposures (J=C+F+I)	<i>USD</i>	<i>64.8386</i>	<i>35,28,108</i>	<i>2,287.58</i>	<i>66.6843</i>	<i>45,87,774</i>	<i>3,059.32</i>
	<i>Euro</i>	<i>69.2476</i>	<i>10,58,397</i>	<i>732.91</i>	<i>72.6278</i>	<i>17,79,446</i>	<i>1,292.37</i>
Total unhedged FC exposures (J)				3,020.49			4,351.69

Unhedged payables and Commitments are naturally hedged against receivables from export debtors.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2017

(₹ in Lakhs)

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
40. VALUE OF IMPORTS ON CIF BASIS				
Raw materials	4,901.15		3,031.15	
Components and spare parts	164.36		110.43	
Capital goods	456.27		385.33	
	5,521.78		3,526.91	
41. EXPENDITURE IN FOREIGN CURRENCY				
Interest	2.43		6.32	
Travelling	51.22		20.53	
Delivery charges	20.15		31.64	
Others	32.46		22.46	
	106.26		80.95	
42. EARNINGS IN FOREIGN EXCHANGE				
F.O.B. value of exports	11,230.40		10,259.06	
	11,230.40		10,259.06	
	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
	Value	%	Value	%
43. VALUE OF RAW MATERIALS, SPARE PARTS AND COMPONENTS CONSUMED				
Raw materials				
Imported	5,127.88	23.90	3,150.57	16.36
Indigenous	16,331.87	76.10	16,110.66	83.64
	21,459.75	100.00	19,261.23	100.00
Spare parts and components				
Imported	154.03	6.31	112.40	4.82
Indigenous	2,287.19	93.69	2,220.55	95.18
	2,441.22	100.00	2,332.95	100.00

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2017

(₹ in Lakhs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
44. PARTICULARS RELATING TO DIVIDEND PAID TO NON-RESIDENT SHAREHOLDERS		
FINAL		
Number of non-resident shareholders *	—	112
Number of shares held by them	—	48,646
Dividend relating to the year	—	2014–15
Amount of dividend (₹)	—	8.27
Amount remitted in foreign currency (₹)	—	—
INTERIM		
Number of non-resident shareholders *	—	160
Number of shares held by them	—	45,651
Dividend relating to the year	—	2015–16
Amount of dividend (₹)	—	7.76
Amount remitted in foreign currency (₹)	—	—

* Includes shares held by custodians of enemy property.

45. ACCOUNTING OF GOVERNMENT GRANTS IN ACCORDANCE WITH AS - 12

Government grants received by the Company comprise of capital incentive of ₹ 91.46 (Previous year ₹ 46.15), export incentives of ₹ 702.45 (Previous year ₹ 604.57) and other revenue grants of ₹ 28.67 (Previous year ₹ 21.44).

46. EMPLOYEE BENEFITS DISCLOSURES IN ACCORDANCE WITH AS-15 (REVISED)

i. Defined Contribution Plans

The Company has during the year recognised an expense of ₹ 602.72 (Previous year ₹ 573.65) towards defined contribution plans.

Out of the total contribution, made for employees' provident fund, a sum of ₹ 83.03 (Previous year ₹ 78.01) 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.

ii. Defined Benefit Plans

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
The defined benefit plan in respect of gratuity, being funded by the Company, is as follows :		
a. Change in defined benefit obligation :		
Present value of obligation, at the beginning of the year	2,353.19	2,417.69
Current service cost	231.86	214.29
Interest cost	175.88	191.36
Benefits paid	(282.12)	(212.57)
Actuarial gain	(141.78)	(257.58)
Present value of obligation, at the end of the year	2,337.03	2,353.19

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2017

(₹ in Lakhs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
b. Change in fair value of plan assets :		
Plan assets at the beginning of the year	2,736.57	2,730.32
Expected return on plan assets	194.66	209.92
Contributions by the employer	-	-
Actuarial gain	96.27	8.90
Benefits paid	(282.12)	(212.57)
Plan assets at the end of the year	2,745.38	2,736.57
c. Amount recognised in Balance Sheet :		
Present value of defined benefit obligation	2,337.03	2,353.19
Fair value of plan assets	2,745.38	2,736.57
Net asset recognised in Balance Sheet	408.35	383.38
d. Expenses recognised in the Statement of Profit and Loss :		
Current service cost	231.86	214.29
Interest cost	175.88	191.36
Expected return on plan assets	(194.66)	(209.92)
Net actuarial gain	(238.05)	(266.48)
Total expenses	(24.97)	(70.75)
e. Constitution of plan assets as a percentage of total plan assets :		
Government of India/ Government of India guaranteed securities	18.02%	18.07%
State Government/ State Government guaranteed securities	37.40%	34.80%
Bonds	38.41%	37.04%
Units of money market mutual fund	0.74%	0.63%
Units of equity linked scheme of mutual fund	2.16%	1.41%
Cash at bank and receivables (net)	3.27%	8.05%
Total	100.00%	100.00%

There is no amount included in the fair value of plan assets for :

i. Company's own financial instrument;

ii. Any property occupied by, or other assets used by, the Company.

f. Experience Adjustments :

	2017	2016	2015	2014	2013
1. Defined benefit obligation	2,337.03	2,353.19	2,417.69	2,862.02	2,736.28
2. Plan assets	2,745.38	2,736.57	2,730.32	2,662.23	2,379.29
3. Surplus/(Deficit)	408.35	383.38	312.63	(199.79)	(356.99)
4. Experience adjustments (gain)/loss on plan liabilities	105.16	16.69	46.21	(66.55)	420.66
5. Experience adjustments gain/(loss) on plan assets	96.27	8.90	171.79	(57.30)	(5.33)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2017

(₹ in Lakhs)

g. Principal actuarial assumptions :

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Discount rate	7.50%	8.00%
Estimated rate of return on plan assets	7.50%	8.00%
Salary escalation	9.00%	9.00%

Expected rate of return on plan assets is based on the average long-term rate of return expected on investments of the funds during the estimated term of the obligations.

The Company is expected to contribute ₹ Nil to the gratuity fund during the year ending 31st March, 2018.

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment.

h. General description of the defined plans :

i. 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.

ii. Leave Plan

Eligible employees can carry forward and encash leave on superannuation, death, permanent disablement and on resignation/termination of employment in accordance with the Company's scheme subject to a maximum of 45 days depending on the grade/category of employee.

47. SEGMENT REPORTING IN ACCORDANCE WITH AS - 17

The Company is engaged in a single business segment i.e. manufacturing and sale of Jute Goods. Hence, disclosure requirements as required by Accounting Standard -17 are not applicable in respect of business segment. However, the geographical segments considered for disclosure are as under :

	Within India		Outside India		Total	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Sales	27,013.33	23,327.28	11,519.41	10,553.34	38,532.74	33,880.62
Carrying amount of segment assets	49,574.75	45,078.37	–	–	49,574.75	45,078.37
Capital expenditure	1,030.90	663.42	–	–	1,030.90	663.42

48. RELATED PARTY DISCLOSURE IN ACCORDANCE WITH AS - 18

A. Relationships

1. Controlling Group

i. Holding Company :

Harsh Investments Private Limited (HIPL)

ii. Others :

- a. Abhyadoot Finance and Investments Private Limited (AFIPL)
- b. Cheviot Agro Industries Private Limited (CAIPL)
- c. Cheviot International Limited (CIL)
- d. Mr. Harsh Vardhan Kanoria (Mr. H. V. Kanoria)
- e. Mrs. Malati Kanoria (Wife of Mr. H. V. Kanoria)
- f. Mr. Utkarsh Kanoria (Son of Mr. H. V. Kanoria)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2017

(₹ in Lakhs)

2. Key Management Personnel
 - i. Mr. H. V. Kanoria
 - ii. Mr. N. K. Kejriwal
3. Relatives of Key Management Personnel
 - i. Mrs. Malati Kanoria (Wife of Mr. H. V. Kanoria)
 - ii. Mr. Utkarsh Kanoria (Son of Mr. H. V. Kanoria)
 - iii. Mrs. Bimla Kejriwal (Wife of Mr. N. K. Kejriwal)
4. Enterprises over which Key Management Personnel [specified in Para 2(i) above] and relatives of Key Management Personnel [specified in Para 3(i) & (ii) above] have significant influence
 - i. Jan Priya Trust
 - ii. Cheviot Foundation
 - iii. Bright and Shine Micro Products Private Limited (BSMPPL)

B. The following transactions were carried out with the related parties in the ordinary course of business :

Transactions/Nature of Relationship	Year ended 31st March, 2017					Year ended 31st March, 2016				
	Controlling Group	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which Key Management Personnel & relatives of Key Management Personnel as stated above have significant influence	Total	Controlling Group	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which Key Management Personnel & relatives of Key Management Personnel as stated above have significant influence	Total
Sales of goods	–	–	–	0.76	0.76	–	–	–	0.37	0.37
Jan Priya Trust	–	–	–	0.76	0.76	–	–	–	0.37	0.37
Rendering of services	14.64	–	–	0.12	14.76	4.02	–	–	0.12	4.14
CIL	12.60	–	–	–	12.60	2.64	–	–	–	2.64
CAIPL	1.44	–	–	–	1.44	1.20	–	–	–	1.20
Others	0.60	–	–	0.12	0.72	0.18	–	–	0.12	0.30
Receiving of services	–	334.28	33.67	–	367.95	–	306.98	30.80	–	337.78
Mr. H.V. Kanoria	–	271.59	–	–	271.59	–	266.49	–	–	266.49
Mr. N.K. Kejriwal	–	62.69	–	–	62.69	–	40.49	–	–	40.49
Others	–	–	33.67	–	33.67	–	–	30.80	–	30.80
Dividend paid	–	–	–	–	–	1,150.33	0.10	0.10	–	1,150.53
HIPL	–	–	–	–	–	875.19	–	–	–	875.19
Mr. H.V. Kanoria	–	–	–	–	–	116.91	–	–	–	116.91
Others	–	–	–	–	–	158.23	0.10	0.10	–	158.43
Donation	–	–	–	400.00	400.00	–	–	–	–	–
Cheviot Foundation	–	–	–	400.00	400.00	–	–	–	–	–
CSR expenditure	–	–	–	40.00	40.00	–	–	–	40.00	40.00
Jan Priya Trust	–	–	–	40.00	40.00	–	–	–	40.00	40.00

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, 2017

(₹ in Lakhs)

49. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS IN ACCORDANCE WITH AS - 29

- a. In accordance with AS-29 – “Provisions, Contingent Liabilities and Contingent Assets”, the Company as a prudent measure, has made following provisions in the books :

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
PROVISION FOR CONTINGENCIES	Indirect taxes	Indirect taxes
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.

- b. Contingent liabilities not provided for :

- Sales Tax in dispute - ₹ 0.22 (Previous year ₹ 82.88) under appeal and not acknowledged as debt, against which a sum aggregating to ₹ Nil (Previous year ₹ 46.06) has been deposited.
- Income Tax in dispute - ₹ 69.98 (Previous year ₹ 162.68) under appeal and not acknowledged as debt.
- Wealth Tax in dispute - ₹ Nil (Previous year ₹ 222.75 under appeal and not acknowledged as debt).
- Excise Duty including penalty in dispute - ₹ 4,949.99 (Previous year ₹ 4,949.99) and interest thereon (amount not yet quantified) under appeal before CESTAT, being barred by limitation as per legal opinion was not acknowledged as debt and against which ₹ 185.62 had been deposited in the year ended 31st March, 2016.
- Service Tax in dispute - ₹ 2.80 (Previous year ₹ 1.44) against show cause notice not acknowledged as debt, for which appropriate reply has been furnished and matter not yet adjudicated.

50. The Company is maintaining separate books of account for its different undertakings viz, DTA at Budge Budge and EOU at Falta, SEZ.

51. Details of specified bank notes held and transacted during the period from 8th November, 2016 to 30th December, 2016 :

Description	Specified bank notes	Other denomination notes	Total
Closing Cash in hand as on 8th November, 2016	12.00	1.50	13.50
Add : Permitted receipts	-	27.47	27.47
Less : Permitted payments	12.00	28.97	40.97
	-	19.88	19.88
Less : Amount deposited in bank	12.00	9.09	21.09
Closing cash in hand as on 30th December, 2016	12.00	-	12.00
	-	9.09	9.09

52. The Board of Directors of the Company has recommended a dividend of ₹ 1/- per ordinary share for approval by shareholders at the ensuing annual general meeting. If approved, the total liability would be ₹ 54.29 including dividend tax of ₹ 9.18.

53. The previous year's figures have been re-grouped/re-classified to conform to the current year's classification.

As per our report attached

For **Jain & Co.**

Chartered Accountants

Registration No. : 302023E

CA P. K. Jain

Partner

Membership No. 52018

Dated the 24th day of May, 2017

For and on behalf of the Board

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

Nawal Kishore Kejriwal
Wholesale Director
(DIN : 00060314)

Navin Nayar
Director
(DIN : 00136057)

CA Madhup Kumar Patni
Chief Financial Officer

CS Aditya Banerjee
Company Secretary

NOTES

NOTES



Group
Cheviot

CHEVIOT COMPANY LIMITED

CIN : L65993WB1897PLC001409

Registered & Administrative Office

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

Ph: +91 8232087911/12/13; Fax (033) 22497269/22172488

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 Friday, 25th August, 2017 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.



Group
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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;

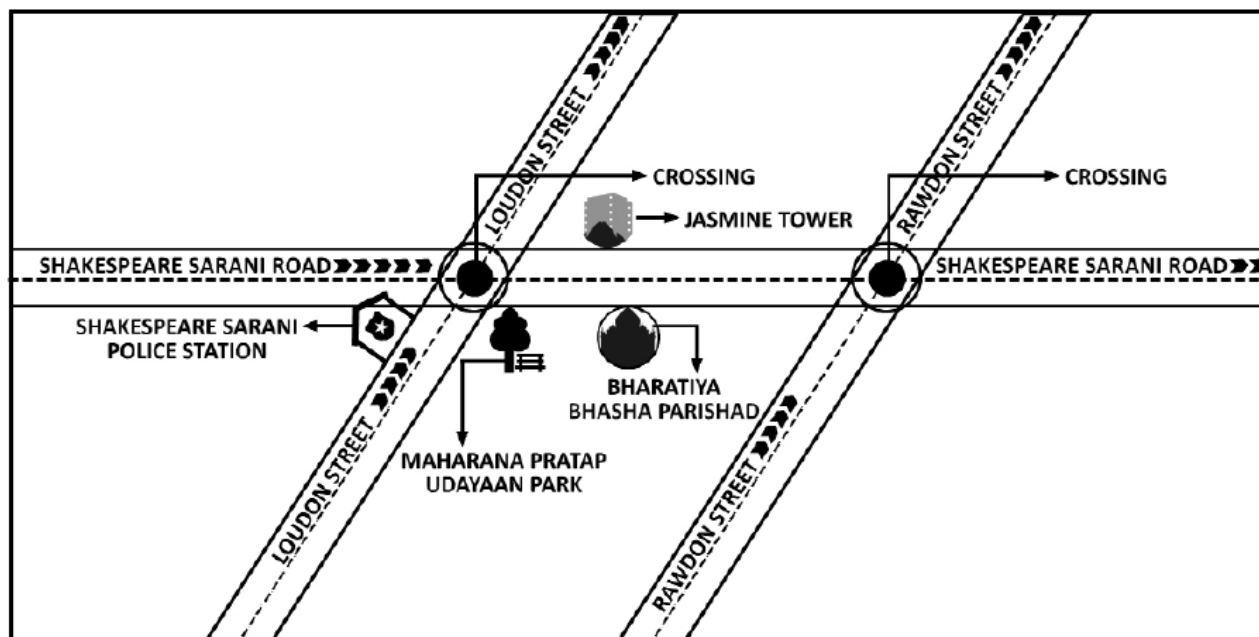
(3) Name : Address :

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 25th day of August, 2017 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 :

P.T.O.

ROUTE MAP TO THE VENUE OF THE AGM OF CHEVIOT COMPANY LIMITED



VENUE - Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata - 700 017

Route Map not to scale

Resolutions 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 Mrs. Malati Kanoria, who retires by rotation and, being eligible, offers herself for re-appointment		
4.	Appointment of M/s. Singhi & Co., Chartered Accountants, as Statutory Auditors		
Special Business			
5.	Appointment of Mr. Utkarsh Kanoria as a director		
6.	Appointment of Mr. Utkarsh Kanoria as Wholetime Director for a period of five years w.e.f. 24th May, 2017		
7.	Ratification of the remuneration of M/s. D. Radhakrishnan & Co., Cost Accountants, for the financial year ending 31st March, 2018		

Signed thisday of2017

Signature of Shareholder (s).....

Signature of Proxy holder(s).....

Affix
Revenue
Stamp

Note :

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the AGM.
2. 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.
4. Please complete all details including details of member(s) in above box before submission.

BOOK POST

If undelivered, please return to :

Cheviot Company Limited

Magma House (9th Floor)

24, Park Street, Kolkata - 700 016

Phone : +91-82320 87911/12/13

Fax : +91-33-2249 7269 / 2217 2488

E-mail : cheviot@chevjute.com

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