

**CHEVIOT COMPANY LIMITED**

**Minutes of the Annual General Meeting of the Company held at The Sitaram Seksaria Auditorium of Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4<sup>th</sup> Floor, Kolkata – 700017 on Friday, the 8<sup>th</sup> August, 2014 at 11 A.M.**

**P R E S E N T**

**Directors**

Mr. Harsh Vardhan Kanoria (in the chair) (also a member)  
 Mr. Nawal Kishore Kejriwal (also a member)  
 Mr. Navin Nayar  
 Mr. Sushil Dhandhanania  
 Mr. Parag Keshar Bhattacharjee

**Members**

As per attendance records, 105 Shareholders including joint holders, proxies and authorized representatives attended the meeting. Valid proxies, numbering 2 and covering in all 76 Ordinary Shares were received and recorded in the Proxy Register. Resolutions under Section 113 of the Companies Act, 2013, numbering 4 and representing in all 2584131 Ordinary Shares were registered with Company.

In attendance:

Mr. Deo Kishan Mohta – President (Corporate Affairs) (also a member)  
 Mr. Aditya Banerjee – Company Secretary (also a member)

In terms of Article 68 of the Articles of Association of the Company, Mr. Harsh Vardhan Kanoria, Chairman and Managing Director of the Company took the chair.

The Chairman welcomed all the members and introduced the Directors present.

The Chairman declared that the Register kept under sub-section (1) of Section 170 of the Companies Act, 2013 had been kept open for inspection and would be accessible during the continuance of the meeting to all persons attending the meeting.

Thereafter, the Chairman invited comments from the members on the businesses to be transacted at the meeting as set out in the Notice dated 9<sup>th</sup> May, 2014.

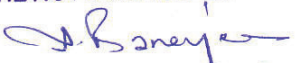
Members, namely, Mr. Sushil Kumar Sukhani, Mr. Sarbananda Gattani, Mr. Shyam Sundar Bhattacharjee, Mr. Amit Kumar Banerjee, Mr. Alok Kumar Pal and Mr. Satya Narayan Pal spoke at the meeting.

Members, in general, enquired about the prospect of Jute Industry, the scenario of labour, 1<sup>st</sup> quarter results and requested the management to explore the possibility of acquiring sick jute mills. One member requested for publication of 10 years' financial highlights, reason for high inventory, and the purpose of having substantial investments in mutual funds. A member desired to know the reason for not conducting in-house research and development by the Company. Another member enquired about the status of unpaid dividend lying with the Company.

Members also paid compliments for financial results and wished the management to consider bonus or stock split in near future.

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**For CHEVIOT COMPANY LIMITED**

  
 Company Secretary

After confirming that no other member wants to raise any query, Chairman requested Mr. Navin Nayar, Chairman of the Audit Committee to give replies to the queries related to accounts. In reply, Mr. Navin Nayar attributed the lower profit after tax mainly due to higher average cost of raw jute. He further stated that the inventory had gone up due to poor government orders and dwindling domestic market conditions. Mr. Navin Nayar also explained that the surplus funds had been invested in secured debt oriented mutual funds / debentures or bonds after proper research and were expected to fetch reasonable appreciation over time. He also informed that the complete details of unpaid dividend were available at the Company's website.

The Chairman took over from Mr. Navin Nayar and apprised the members that the jute industry has been passing through challenging times. He explained the working for the year ended 31<sup>st</sup> March, 2014 and mentioned that the higher inventory was due to non-release of adequate Government Orders. The Chairman stated the salient features of first quarter results and indicated that the results for the current year would likely to be substantially lower under the present scenario.

Thereafter, the Chairman informed that in pursuance to provisions of Section 108 of the Companies Act, 2013 read with rules made thereunder and Clause 35B of the Listing Agreement, members of the Company holding shares as on the record date of 20th June, 2014, were provided with the facility to exercise their right to vote on all ordinary and special businesses as set out in the Notice dated 9th May, 2014, by electronic means. Proposing and seconding of resolutions at the meeting being infructuous since the members had already casted their votes on the resolutions as set out in the said Notice and the results were available on the basis of e-voting, were not resorted to.

The Chairman announced that as per report submitted by the Scrutinizer, all the resolutions in respect of said ordinary and special businesses have been passed by requisite majority.

Accordingly, the resolutions as approved by the Members of the Company, in terms of the Scrutinizer report dated 6/8/2014, form part of the Minutes of the Annual General Meeting as under:

**Item No. 1.** To receive, consider and adopt the audited financial statements of the Company for the year ended 31st March, 2014 and the Reports of the Board of Directors and Auditors thereon.

As an Ordinary Resolution

"RESOLVED THAT the Directors' Report, the Audited Financial Statement for the year ended 31st March, 2014 and the Balance Sheet as at that date together with the Auditors' Report thereon be approved and adopted."

**Item No. 2.** To declare dividend for the year ended 31st March, 2014.

As an Ordinary Resolution

"RESOLVED THAT Dividend on 45,11,250 Ordinary Shares of Rs. 10 each for the year ended 31<sup>st</sup> March, 2014 be and is hereby declared @ Rs.15/- per share and the same be paid to those shareholders whose names appear as beneficial owners as per the list furnished by the Depositories in respect of the shares held in electronic form and as members in the Register of Members in respect of the shares held in physical form on 1<sup>st</sup> August, 2014 or to their order or to their bankers subject however to the provisions of Section 123 of the Companies Act, 2013."

**Item No. 3.** To appoint a director in place of Mr. Nawal Kishore Kejriwal (holding DIN 00060314), who retires by rotation and, being eligible, offers himself for re-appointment.

As an Ordinary Resolution

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For CHEVIOT COMPANY LIMITED

  
Company Secretary



"RESOLVED THAT Mr. Nawal Kishore Kejriwal, a Director retiring by rotation under Article 99 of the Articles of Association of the Company be and is hereby re-appointed a Director of the Company".

**Item No. 4.** To appoint M/s Jain & Co., Chartered Accountants (ICAI Registration No.302023E) as statutory auditors of the Company to hold office from the conclusion of this annual general meeting until the conclusion of the fourth consecutive annual general meeting on a remuneration to be mutually agreed upon with the Board of Directors subject to rectification by the members at every annual general meeting.

As an Ordinary Resolution

"RESOLVED THAT Messrs Jain & Co., Chartered Accountants (ICAI Registration No. 302023E), the retiring Auditors be and are hereby re-appointed Auditors of the Company to hold office until the conclusion of the Annual General Meeting to be held in 2017 at a remuneration to be decided mutually between the Board of Directors and the Auditors of the Company, plus reimbursement of out of pocket expenses incurred."

**Item No. 5.** Amendment of Article 103 and Article 117 of the Article of Association of the Company.

As a Special Resolution

"RESOLVED THAT pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013, the existing Articles 103 and 117 of Association of the Company be and is hereby amended as under:

(a) The existing Article 103 [Chairman] be deleted and substituted as under:

Article 103 [Chairman]

'The Managing Director of the Company during his tenure of appointment shall hold the office of Chairman. The Chairman and Managing Director shall preside over every meeting attended by him. If at any meeting of the Board, the Chairman and Managing Director is not present within fifteen minutes after the time appointed for holding the same, the Directors present shall choose someone of their number to be Chairman of such meeting.'

(b) The following proviso be added at the end of existing Article 117:

Article 117 [Not to retire by rotation] after the sentence ending with the words 'Wholetime Director.' 'Provided that, if necessary, for the requirements of Section 152 (6) of Companies Act, 2013, the office of Wholetime Director shall be liable to determination by retirement of directors by rotation.'"

**Item No. 6.** Re-appointment of Mr. Nawal Kishore Kejriwal (holding DIN 00060314) as the Wholetime Director of the Company.

As a Special Resolution

"RESOLVED THAT pursuant to 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, consent of the Company be and is hereby granted to the re-appointment of Mr. Nawal Kishore Kejriwal (Mr. Kejriwal), (holding DIN 00060314), as Wholetime Director of the Company for a period of two years with effect from 1st June, 2014 whose office shall be subject to determination by re retirement of directors by rotation, on

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**For CHEVIOT COMPANY LIMITED**

  
Company Secretary



the terms and conditions as to remuneration and otherwise as set out in the letter of re-appointment (a draft of which signed by the Chairman and Managing Director for identification was laid on the table) to be issued to Mr. Kejriwal and also given in the statement annexed to the notice.

FURTHER RESOLVED THAT in the event of absence or inadequacy of profits in any financial year during the aforesaid period of two years, the Company will pay to Mr. Kejriwal remuneration by way of salary and perquisites not exceeding the ceiling laid down in Section II of Part II of Schedule V to the Act or any modification or re-enactment thereof as minimum remuneration, subject to such approvals as may be required."

**Item No. 7.** Appointment of Mr. Parag Keshar Bhattacharjee (holding DIN 00081899) as Independent Director of the Company.

As a Special Resolution

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Parag Keshar Bhattacharjee (holding DIN 00081899), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019 and whose office shall not, henceforth, be liable to determination by retirement of directors by rotation."

**Item No. 8.** Appointment of Mr. Sushil Dhandhanian (holding DIN 00484489) as Independent Director of the Company.

As an Ordinary Resolution

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Sushil Dhandhanian (holding DIN 00484489), Director of the Company who retires by rotation at the ensuing annual general meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019 and whose office shall not, henceforth, be liable to determination by retirement of directors by rotation."

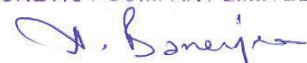
**Item No. 9.** Appointment of Mr. Navin Nayar (holding DIN 00136057) as Independent Director of the Company.

As an Ordinary Resolution

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Navin Nayar (holding DIN 00136057), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive

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Company Secretary



years for a term up to 31st March, 2019 and whose office shall not, henceforth, be liable to determination by retirement of directors by rotation."

**Item No. 10.** Appointment of Mr. Padam Kumar Khaitan (holding DIN 00019700) as Independent Director of the Company.

As an Ordinary Resolution

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Padam Kumar Khaitan (holding DIN 00019700), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019 and whose office shall not, henceforth, be liable to determination by retirement of directors by rotation."

**Item No. 11.** Appointment of Mrs. Malati Kanoria (holding DIN 00253241) as Director of the Company.

As an Ordinary Resolution

"RESOLVED THAT Mrs. Malati Kanoria (holding DIN 00253241), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 9th May, 2014, in terms of Section 161(1) of the Companies Act, 2013 and Article 95 of the Articles of Association of the Company and whose term of office expires at the ensuing annual general meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation."

**Item No. 12.** Approval of remuneration of 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 year ending 31<sup>st</sup> March, 2015.

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 Rs. 32,500 plus applicable taxes and re-imbursement of out of pocket expenses payable to M/s D. Radhakrishnan & Co., Cost Accountants (Registration No. 000018), who has been appointed by the Board of Directors of the Company as Cost Auditor to conduct an audit of the cost accounting records maintained by the Company for the year ending 31st March, 2015 be and is hereby ratified."

The meeting terminated with a vote of thanks to the chair.

Sd/- H.V. KANORIA  
CHAIRMAN  
26.08.2014

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**For CHEVIOT COMPANY LIMITED**

  
Company Secretary