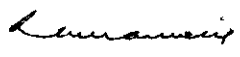
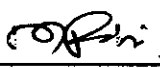
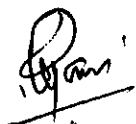
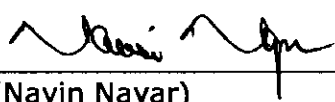


**FORM A**

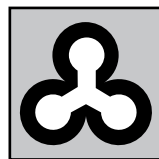
**Pursuant to Clause 31(a) of Listing Agreement with BSE Limited**

**[Format of covering letter of the annual audit report  
to be filed with the stock exchange]**

1.	Name of the Company	Cheviot Company Limited
2.	Annual financial statements for the year ended	31st March, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by:	
	> CEO/Managing Director	 _____ (Harsh Vardhan Kanoria) Chairman and Managing Director, Chief Executive officer DIN: 00060259
	> CFO	 _____ (CA Madhup Kumar Patni) Chief Financial Officer
	> Auditor of the Company	 _____ (CA P.K. Jain) Partner Membership No- 52018 Jain & Co. Chartered Accountants Registration No. 302023E
	> Audit Committee Chairman	 _____ (Navin Nayar) Chairman of the Audit Committee DIN: 00136057

# **ANNUAL REPORT**

**FOR THE YEAR ENDED 31ST MARCH 2015**



**Group  
Cheviot**

**CHEVIOT COMPANY LIMITED**

**BOARD OF DIRECTORS**

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

NAWAL KISHORE KEJRIWAL - *Wholetime Director - DIN 00060314*

NAVIN NAYAR - *Independent Director - DIN 00136057*

PARAG KESHAR BHATTACHARJEE - *Independent Director - DIN 00081899*

SUSHIL DHANDHANIA - *Independent Director - DIN 00484489*

PADAM KUMAR KHAITAN - *Independent Director - DIN 00019700*

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

**PRESIDENT (CORPORATE AFFAIRS)**

DEO KISHAN MOHTA

**CHIEF FINANCIAL OFFICER**

MADHUP KUMAR PATNI

**COMPANY SECRETARY**

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  
6, MANGOE LANE, 2ND FLOOR, KOLKATA - 700 001  
PHONE : 033- 2243 5029 / 5809, FAX : 033-2248 4787  
E-MAIL : mdpl@cal.vsnl.net.in

**REGISTERED OFFICE**

24, PARK STREET,  
MAGMA HOUSE, (9TH FLOOR)  
KOLKATA - 700 016  
PHONE : 033-3291 9624 / 25 / 28  
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

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## 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 Thursday, the 13th August, 2015 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 year ended 31st March, 2015 and the reports of the Board of directors and auditors thereon.
2. To declare dividend for the financial year ended 31st March, 2015.
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 ratify the appointment of M/s Jain & Co., Chartered Accountants (ICAI Registration no. 302023E), as statutory auditors of the Company, as approved by members at the annual general meeting of the Company held on 8th August, 2014 from the conclusion of this annual general meeting till the conclusion of the next annual general meeting on a remuneration to be mutually agreed upon with the Board of directors for the financial year 2015-2016.

**Special Business :**

5. To consider and if thought fit, to pass the following resolutions 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 re-appointment of Mr. Harsh Vardhan Kanoria (Mr. Kanoria) (holding DIN 00060259), as the Chairman and Managing Director of the Company for a further period of five years with effect from 1st August, 2015, upon the terms and conditions as to remuneration and otherwise as set out in an agreement (a draft of which signed by the Chairman and Managing Director for identification was laid on the table) to be entered into between the Company and Mr. 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. 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.”

6. 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 ₹ 32,500 plus applicable taxes and re-imbursalment 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, 2016 be and is hereby ratified.”

Kolkata, 19th May, 2015  
CIN : L65993WB1897PLC001409  
Registered Office:  
24, Park Street,  
'Magma House', (9th Floor),  
Kolkata- 700 016  
Ph: (033) 3291-9624/25/28; Fax: (033) 2249-7269/2217-2488  
Email: cheviot@chevjute.com Website: www.groupcheviot.net

By Order of the Board,  
CHEVIOT COMPANY LIMITED  
CS Aditya Banerjee  
Company Secretary

**NOTICE** (Contd.)**NOTES :**

1. **The Register of Members and the Share Transfer Register of the Company will remain closed from Saturday, 8th August, 2015 to Thursday, 13th August, 2015 (both days inclusive).**
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The Proxy 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.
3. Members/Proxies are requested to bring the attendance slip along with their copy of Annual Report with them at the AGM.
4. 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.
5. Dividend, as recommended by the Board of directors, if declared at the AGM will be paid on 18th August, 2015 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, 7th August, 2015. 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, 7th August, 2015 as per details furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd (CDSL).
6. 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" of the Central Government under Sections 205A & 205C of the Companies Act, 1956. Accordingly, all unpaid/unclaimed amounts in respects of dividends paid by the Company for the financial year ended 31st March, 2007 have been transferred to the said Fund. Unpaid/unclaimed dividend for the financial year ended 31st March, 2008 will become due for transfer during September, 2015. Shareholders are advised to encash the unpaid dividend warrants before transfer to the above referred Fund.

Pursuant to the provisions of Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 8th August, 2014 (date of previous year annual general meeting) on the website of the Company ([www.groupcheviot.net](http://www.groupcheviot.net)), as also on the website of Ministry of Corporate Affairs.

7. 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.

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 Pvt. Ltd.

8. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company at least 10 (Ten) days in advance of the meeting i.e. by 3rd August, 2015, so that proper information can be made available at the AGM.
9. 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.
10. 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 Agents for consolidation into a single folio.

**NOTICE** (Contd.)

11. 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).

12. Brief details of directors seeking re-appointment at the ensuing AGM :

a) Mrs. Malati Kanoria (Mrs. Kanoria), (holding DIN 00253241), who was appointed as a director of the Company with effect from 9th May, 2014, retires from the Board by rotation at the forthcoming AGM, and being eligible, offers herself for re-appointment. Mrs. Kanoria 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.

Name of other companies in which Mrs. Kanoria also holds the directorship :

1. Cheviot International Ltd., 2. Cheviot Agro Industries Pvt. Ltd., 3. Harsh Investments Pvt. Ltd., 4. Elite (India) Pvt. Ltd.

Name of other companies in which Mrs. Kanoria also holds membership of the Committee of the Board : Nil

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

Mrs. Kanoria attended two board meetings during the financial year 2014-15.

She is a relative of Chairman and Managing Director (CMD) of the Company. Except CMD, none of the other directors and key managerial personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3. This statement may also be regarded as a disclosure under clause 49 of the listing agreement with BSE Limited.

b) Mr. Harsh Vardhan Kanoria (Mr. Kanoria), aged 59 years, (holding DIN 00060259) is a director of the Company from 1st April, 1981. Mr. Kanoria is a commerce graduate and holding the position of Chairman and Managing Director of the Company since 1st August, 2000. He is an Industrialist having vast experience of 41 years.

Name of other companies in which Mr. Kanoria also holds the directorship :

1. Cheviot International Ltd., 2. Cheviot Agro Industries Pvt. Ltd., 3. Harsh Investments Pvt. Ltd., 4. Elite (India) Pvt. Ltd.

Name of other companies in which Mr. Kanoria also holds membership of the Committee of the Board : Nil

Number of Share held in the Company : 3,43,840 Shares

Mr. Kanoria attended four board meetings during the financial year 2014-15.

13. Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013, the Rules framed thereunder and clause 35B of the listing agreement, 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 Monday, 10th August, 2015 (10:00 a.m.) and end on Wednesday, 12th August, 2015 (5:00 p.m.). During this period, members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date, Friday, the 7th August, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

**NOTICE** (Contd.)

- V. The process and manner of remote e-voting are as under:
- A. In case a member receives an e-mail 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.nsd.com/>
  - (iii) Click on Shareholder - Login
  - (iv) Put user ID and password as initial password noted in step (i) above. Click Login.
  - (v) Password change menu will 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](mailto:evoting@chevjute.com) with a copy marked to [evoting@nsdl.co.in](mailto: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) Initial password is provided in the following format at the bottom of the attendance sheet of the AGM:  

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 queries, 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.nsd.com](http://www.evoting.nsd.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, the 7th August, 2015.
- 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, the 7th August, 2015, may obtain the user ID and password by sending a request at [evoting@nsdl.co.in](mailto: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, you can reset your password by using "Forgot user ID/password" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) or contact NSDL at the following 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, the 7th August, 2015 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

**NOTICE** (Contd.)

- XII. Mr. Gaurav Dasgupta, a practicing 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.
- 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 results 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](http://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.
14. The notice of the AGM inter-alia indicating the process and manner of remote e-voting and the Annual Report for 2015 are available on the Company's website ([www.groupcheviot.net](http://www.groupcheviot.net)).
15. 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.
16. The statement pursuant to Section 102 of the Companies Act, 2013, relating to the special business set out in the notice, is annexed hereto.

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

The present term of office of Mr. Harsh Vardhan Kanoria (Mr. Kanoria), Chairman and Managing Director of the Company will expire on 31st July, 2015.

Mr. Kanoria, aged 59 years, is a director of the Company from 1st April, 1981. Mr. Kanoria is a commerce graduate and holding the position of Chairman and Managing Director of the Company since 1st August, 2000. He is an Industrialist having vast experience of 41 years.

Mr. Kanoria has been associated with the Company for the last several years in his capacity as Chairman and Managing Director. In view of his vast experience and significant contributions to the Company's overall growth and profitability, the Board of directors by a resolution passed on 19th May, 2015 re-appointed Mr. Kanoria as Chairman and Managing Director for a further period of five years with effect from 1st August, 2015 on the terms and conditions mentioned in the draft agreement to be entered between the Company and Mr. Kanoria.

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

- I. Salary : ₹ 2,00,000 per month in the range of ₹ 2,00,000 to ₹ 3,00,000 per month as may be determined by the Board from time to time.
- II. Commission : Commission may be payable at the absolute discretion of the Board, of such amount as may be approved by the Board for each year.
- III. Perquisites : Mr. Kanoria will also be entitled to furnished residential accommodation or house rent 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 as perquisites in addition to salary and commission restricted to an amount equal to the annual salary or such other sum as may be determined by the Board 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 limit. Perquisites shall be evaluated as per the Income Tax Rules, wherever applicable.

Mr. Kanoria will also be entitled to the following perquisites which shall not be included in the computation of the ceiling on perquisites as specified above :

- (a) The Company's contribution towards Provident Fund as per the rules of the Company but restricted to the extent this is not taxable under the Income Tax Act, 1961.



**NOTICE** (Contd.)

- (b) Gratuity not exceeding one-half month's salary for each completed year of service.
- (c) Leave on full pay and allowance as per the rules of the Company but not exceeding one month's leave for every eleven months of service.

The remuneration including the value of the perquisites mentioned above will be subject to the overall ceilings laid down under sections 197 the Companies Act, 2013 (the Act) read with schedule V thereto.

- IV. Mr. Kanoria will not be paid any sitting fee for attending the meeting of the Board or any Committee thereof.
- V. 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. 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.
- VI. Mr. 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 from time to time.
- VII. Mr. Kanoria and the Company shall have right to terminate the appointment by giving three months' prior notice in writing to the other.

Name of other Company in which Mr. Kanoria also holds the directorship :

1. Cheviot International Ltd., 2. Cheviot Agro Industries Pvt. Ltd., 3. Harsh Investments Pvt. Ltd., 4. Elite (India) Pvt. Ltd.

Name of other companies in which Mr. Kanoria also holds membership of the Committee of the Board : Nil

Number of Share held in the Company : 3,43,840 Shares.

Mr. Kanoria attended four board meetings during the financial year 2014-15.

The Board recommends that the proposed Ordinary Resolution be passed by the members.

Except Mr. Kanoria and Mrs. Malati Kanoria, none of the other directors and key managerial personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

Copy of the draft agreement 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. This statement may also be regarded as a disclosure under clause 49 of the listing agreement with BSE Limited.

**Item No. 6**

As recommended by audit committee, 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 ₹ 32,500 plus applicable taxes and re-imburement 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, 2015 and ending on 31st March, 2016.

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 are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

The Board recommends passing of the proposed Ordinary Resolution in relation to ratification of the remuneration payable to the cost auditor.

Kolkata, 19th May, 2015

CIN : L65993WB1897PLC001409

Registered Office:

24, Park Street,

'Magma House', (9th Floor),

Kolkata- 700 016

Ph: (033) 3291-9624/25/28; Fax: (033) 2249-7269/2217-2488

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

By Order of the Board,  
CHEVIOT COMPANY LIMITED  
CS Aditya Banerjee  
Company Secretary

## DIRECTORS' REPORT

(₹ in Lakhs)

Dear Members,

The directors have pleasure in presenting their Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 2015.

### 1. FINANCIAL SUMMARY

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Operating results after charging depreciation and amortisation show a profit of	1,967.38	2,809.33
Add : Exceptional item - Provision against indirect taxes refundable written back (P.Y. indirect taxes for earlier years)	97.45	94.87
Add : Other income	2,166.73	914.91
Profit before tax	4,231.56	3,819.11
From which have been deducted :		
Current tax	749.00	1,042.00
Tax for earlier years (net)	1.10	9.36
Deferred tax	23.37	87.37
Profit after tax	3,458.09	2,680.38
Surplus as per last balance sheet	500.02	461.33
Making a total of	3,958.11	3,141.71
Which has been appropriated by the directors as under :		
Proposed dividend	766.91	676.69
Tax on proposed dividend	156.13	115.00
Transferred to SEZ re-investment reserve account	350.00	200.00
Transferred to general reserve	2,150.00	1,650.00
Balance surplus carried to balance sheet	535.07	500.02
	3,958.11	3,141.71

### 2. DIVIDEND

Your directors are pleased to recommend dividend of ₹ 17/- per ordinary share of the face value of ₹ 10/- each (i.e. 170%) for the year ended 31st March, 2015 to the members for their approval.

### 3. TRANSFER TO RESERVE

Directors propose to transfer an amount of ₹ 350 to the Special Economic Zone (SEZ) re-investment reserve account and ₹ 2,150 to the general reserve out of the profit for the year.

### 4. 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, 2015	For the year ended 31st March, 2014
Sales (gross)	26,496.62	27,639.78
Export sales (C.I.F. value)	11,973.47	11,800.19
Operating profit	1,967.38	2,809.33
Other income	2,166.73	914.91
Profit before tax	4,231.56	3,819.11
Profit after tax	3,458.09	2,680.38
Earnings per ordinary share of face value of ₹ 10/- (in ₹)	76.65	59.42

**DIRECTORS' REPORT** (Contd.)

(₹ in Lakhs)

The Jute Industry has been passing through a bad phase and due to sluggish demand, there has been an industry-wide cut in production. Published reports of Indian Jute Mills Association reflect around 19% reduction in production of jute goods during the period April - March 2015 as compared to corresponding period of previous year.

In the wake of above scenario, the production in the Company during the year under review witnessed decrease by around 12%. The Company continues to operate with reduced working of six days a week which was resorted to in later part of the previous year. There was steep fall in government orders during first half of the year under review as compared to similar period of previous year which led to decrease in government sales. However, it was a matter of satisfaction that the Company was able to arrest the decline in sales by responding to offers from overseas markets for export of jute yarn as also by catering to demand of hessian and local yarn in domestic market.

The loss of working resulted in decrease in operating profit by ₹ 841.95, being ₹ 1,967.38 in the year under review as compared to ₹ 2,809.33 in previous year. Profit after tax was higher at ₹ 3,458.09 as compared to ₹ 2,680.38 during the previous year. Improvement in bottom line was largely on account of ad-hoc income from sale of old bonds as also income derived from few investments matured during the year and dividend income. Such ad-hoc increase in other income may not be sustainable.

On the export front, though the Company was able to maintain the overall export sales, the overseas market scenario was not encouraging. Impact of recession in European countries has resulted in shrinkage in order quantity.

Accordingly, the Company's export oriented unit situated at Falta SEZ continues to operate at reduced capacity. One of the major European buyers reported filing of an insolvency petition in German court which came as sudden and surprising news affecting the working of the unit. Steps have been taken to safeguard the receivables by filing claims with the official administrator appointed by the court as also for recovery of 80% of receivables from Export Credit Guarantee Corporation of India Limited under its buyer exposure policy taken by the Company. Appropriate provisions for doubtful receivables have been made in the accounts as explained in Note 35 to the financial statements for the year ended 31st March, 2015.

Your directors would like to state that they are conscious of the said development and have taken effective steps to review Company's sales policy and put more checks and safeguards, wherever required. Efforts are also being made to explore other avenues to increase sale of jute fabric, shopping bag in overseas markets. We are confident to come out of the aforesaid unfortunate event.

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

Under Jute Packaging Materials (Compulsory use in packing commodities) Act, 1987 (JPMA), order for compulsory packaging of food grains at 90% and sugar at 20% continues up to 30th June, 2015. We are hopeful that the government will further extend the Order and shall take effective steps to check its violations and will not resort to further dilution in the larger interest of the Jute Industry.

There is an urgent need to ameliorate the Jute Industry which is facing severe crisis and fall in production. It is earnestly pleaded that instead of erratic procurement of goods by the procuring agency, government should streamline the procurement in such a manner that Industry can plan and operate smoothly throughout the year.

Government has introduced schemes for giving incentive for exports. A new scheme named as Merchandise Exports from India Scheme (MEIS) has been introduced by merging all existing schemes with a single scheme. Rewards for export of specified goods to specified countries under MEIS shall be payable as percentage of realised FOB value in free foreign currency. Your Company is entitled to receive rewards in the form of duty free scrips of 5% on all jute products exported by the Company in place of existing rate of 2 to 3% being availed by the Company under the existing schemes. Export from Falta SEZ unit will also be entitled for the above reward @ 5% as the new policy has also made the units operating in SEZ entitled to receive the reward.

This is a welcome and significant step taken by the Government which will go a long way in promoting the exports of goods from India.

Moreover, National Jute Board has implemented schemes for providing sanitation facilities for the jute mill workers, scholarship scheme for children of jute mill workers, export market development assistance scheme and incentive scheme for acquisition of plant and machinery.

## DIRECTORS' REPORT *(Contd.)*

### b) Opportunities

- Environmental friendly bio-degradable characteristics of jute fibre will always have an edge over other packing materials;
- Increase in use of jute shopping bags, floor coverings, jute geo-textile products provides opportunity to boost demand of jute goods.

### c) Threats / risk and concerns

As per requirement of clause 49 of the listing agreement, the Company has constituted a risk management committee. The composition of the committee and its role are stated in corporate governance report annexed to this report. The key elements of business risks identified by the Company and its mitigation measures are as under:-

#### *Competition risk and mitigation measures*

The markets for jute goods are highly competitive and strong competition is faced from Bangladesh. The prices of jute goods quoted by Bangladesh who enjoys cost advantage cannot be matched. In order to mitigate the said risk, efforts are on to bring down the cost of production by enhancing operational efficiency and improvement in the quality of products.

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

In the interest of Jute Industry, the JPMA had made it mandatory to use jute bags for packaging of certain commodities. However, the compulsion under JPMA has diluted over time. More risk arises out of alternate packing material like HDPE/Polypropylene, which are equally tensile and available in various sizes at an economical price in the market, albeit harmful for the environment.

Industry is thus at high risk to face fierce competition from HDPE/Paper/Polypropylene and other packaging alternatives available in the domestic market as a substitute product.

On the export front, the demand for jute goods is impacted due to economic slowdown and cut throat competition from Bangladesh jute industry.

Strategically, the Company continue to maintain high quality standard of products and explore potential markets together with securing additional volumes from existing customers on the basis of record of satisfactory performance in earlier dealings. The efforts to enhance quality of products and upgrading their performance parameters are aimed at deriving optimum value from the existing customer base and targeting a larger geographical market are in line with Company's efforts to mitigate the aforesaid risks. Your Company believe that jute being a bio-degradable, eco-friendly product, market is expected to keep growing.

#### *Fluctuations in foreign exchange risk and mitigation measures*

The Company has to transact in foreign currencies where fluctuation in currency may impact margins of the Company. The risk of currency fluctuation is mitigated by managing the uncertainty and volatility of foreign exchange fluctuations through hedging.

#### *Business operation risk and mitigation measures*

Some of the business operation risks and their mitigation plan are outlined below :

**Revenue concentration :** The Company's revenue generation is from domestic and export markets. Any downturn in demand or unplanned procurement by government agencies could adversely affect the working. The Company is taking necessary actions to boost its sales by exploring opportunities of new customers and innovative usage of jute goods. The Company is continuously making efforts to increase business volumes with minimum exposure to undue risks.

**Raw Materials :** Raw jute is the main raw material for manufacturing of jute goods. Raw jute crop is highly volatile and seasonal. Shortage of good quality of raw jute adversely affects the operations. At times, acute shortage of raw jute crop is observed due to shifting of the farmers to cereal crop production which fetches greater revenues to them. To mitigate the risk, the Company has established policies for procurement of raw jute in a planned manner. Market is monitored and inventory is built up to take care of slack seasons.

**Manpower :** Jute Industry, being labour intensive, wages constitute a significant part of the production cost. The availability and management of labour is very critical for smooth functioning of the plants. Paucity of skilled workers is a major concern. Few measures being taken to mitigate this risk include gradual automation, wherever feasible to reduce the dependence on high number of workers.

**DIRECTORS' REPORT** (Contd.)

(₹ in Lakhs)

**d) Segment-wise or product-wise performance**

The Company continues to operate through two business segments namely, a) Jute goods and b) Captive power generation. However, captive power generation is not a reportable segment in terms of the criteria laid down in paragraph 27 of the accounting standard-17 as the revenue/results/assets of this segment are not more than the threshold limit of 10% of the total segment revenue/results/assets.

The following disclosure under geographical segment has, however, been considered :-

	Within India		Outside India		Total	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
Sales (gross)	14,523.15	15,839.59	11,973.47	11,800.19	26,496.62	27,639.78
Carrying amount of segment assets	39,756.23	37,358.45	-	-	39,756.23	37,358.45
Capital expenditure	262.54	825.84	-	-	262.54	825.84

**e) Outlook**

Fortune of jute industry is largely dependent on steady demand and optimum utilisation of capacity. Your Company has adequate capacity and flexibility to cater to the requirement from both domestic and overseas markets. We are looking forward for a comprehensive policy from government to help generate demand for jute bags in the domestic market. For growth in exports, the Company is making efforts to penetrate in new markets and explore varied uses of jute products.

Looking at the overall scenario of the Industry, the working for the current year does not appear to be encouraging and outlook for the current year is not very positive.

**f) Internal control systems and their adequacy**

The Company has documented policies and procedures required for ensuring orderly and efficient Internal Financial Controls ("IFC") as required under the provisions of Companies Act, 2013. The audit committee after considering the views of statutory auditors and internal auditors has found that such IFC, commensurate with the size and operations of the Company, are adequate and operating efficiently. The internal auditor of the Company checks and verifies the internal control in accordance with aforesaid policies documented by the Company. The audit committee is regularly reviewing the internal audit reports covering audit carried out as per scope of audit finalised by them in consultation with internal auditor. Observations of the internal auditor are circulated to senior managerial personnel for their perusal and necessary action. Corrective actions are taken wherever required. The audit committee, in consultation with the internal auditor, formulates the scope, functioning, periodicity and methodology for conducting the internal audit.

**g) Discussion on financial performance with respect to operational performance**

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

- Sale of jute goods was ₹ 26,496.62 during the year as compared to ₹ 27,639.78 during previous year;
- Production was lower by 12% mainly due to reduced capacity utilisation for the reasons explained above in the report. Accordingly, operating profit of the Company was lower by ₹ 841.95 during the year under review;
- Finance cost was higher at ₹ 86.72 during the year under review as against ₹ 74.18 in previous year. The increase in finance cost is mainly due to higher utilisation of working capital limits;
- Inventories have decreased by ₹ 353.83, being ₹ 4,525.86 as at 31st March, 2015 as against ₹ 4,879.69 as at 31st March, 2014 due to more despatches in the last quarter of the year under review;
- The Company has invested ₹ 262.54 in fixed assets inclusive of capital advances given during the year.

**DIRECTORS' REPORT** *(Contd.)***h) Material developments in Human Resource / Industrial Relations front, including number of people employed**

Industrial relations remained cordial during the year under review.

As on 31st March, 2015, the Company had 4235 employees on its rolls.

The Company continues to provide benefits and facilities to deserving staffs under various staff welfare schemes during the year. Workers employed at new scale are imparted with in-house training to bring all round improvement in their working knowledge and skill. The Company has installed humidification system within the factory to provide comfortable working atmosphere.

Collective participation is encouraged at all level and workers are incentivised for good performance. Labour issues are mostly addressed by negotiations and conciliation.

The Company has constituted a committee for prevention, prohibition and redressal of complaints/grievances on the sexual harassment of women at work places.

**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.

**6. CORPORATE GOVERNANCE**

In compliance with the requirement of clause 49 of the listing agreement, a separate report on corporate governance along with a certificate from the statutory auditors of the Company confirming the compliance is attached as Annexure-I which forms part of this report.

**7. EXTRACT OF THE ANNUAL RETURN**

As provided under Section 92(3) of the Companies Act, 2013, the extract of the annual return for the year ended 31st March, 2015, is given in Annexure-II in the prescribed form MGT-9, forming part of this report.

**8. 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 year ended 31st March, 2015.

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

All the transactions with related parties entered during the year under review with omnibus approval of the audit committee were in the ordinary course of business and on an arm's length basis. However, there was no material contract or arrangement or transaction at arm's length basis entered with a related party during the year under review. Thus, disclosure in Form AOC – 2 is not required.

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

Information as required under rule 8(3) of the Companies (Accounts) Rules, 2014 are provided in Annexure-III forming part of this Report.

**11. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY**

The Board has developed and implemented a risk management policy of the Company identifying therein the elements of risk and concern that may threaten the existence of the Company. Risk management committee and the Board review the risk elements and mitigation procedures at periodical interval. Areas of risks/concerns/threats have been indicated in this report under the head management discussion and analysis report.

**12. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has undertaken activities in accordance with CSR Policy (available on Company's website : [www.groupcheviot.net](http://www.groupcheviot.net)) through eligible registered trusts having established track records. Annual Report on CSR containing particulars specified under the said rules are given in Annexure-IV forming part of this report.

## DIRECTORS' REPORT *(Contd.)*

### 13. ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a vigil mechanism/whistle blower policy. The policy allows intimation by affected persons in good faith of concern or misconduct through a written communication. Audit committee oversees the vigil mechanism for disposal of the complaint. Direct access to the chairman of the audit committee is also allowed in exceptional cases. The vigil mechanism/whistle blower policy is available on Company's website ([www.groupcheviot.net](http://www.groupcheviot.net)).

### 14. DIRECTORS

#### Independent directors

The Board of directors at their meeting held on 9th May, 2014 appointed Mr. Navin Nayar, (holding DIN 00136057), Mr. Sushil Dhandhanania, (holding DIN 00484489), Mr. Padam Kumar Khaitan (holding DIN 00019700) and Mr. Parag Keshar Bhattacharjee, (holding DIN 00081899) as independent directors of the Company to hold office for five consecutive years for a term up to 31st March, 2019 and whose period of office were not liable to determination by retirement of directors by rotation.

#### Non-executive woman director

In compliance with the provisions of the Companies Act, 2013 and clause 49 of the listing agreement, the Board of directors at their meeting held on 9th May, 2014 had appointed Mrs. Malati Kanoria (holding DIN 00253241) as an additional director of the Company. On expiry of term of office as an additional director, Mrs. Malati Kanoria was appointed as a Director of the Company at the AGM held on 8th August, 2014 whose period of office was liable to determination by retirement of directors by rotation.

Mrs. Kanoria retires from the Board by rotation at the forthcoming AGM, and being eligible, offers herself for re-appointment.

#### Wholetime director

Mr. Nawal Kishore Kejriwal, wholetime director (holding DIN 00060314) of the Company was re-appointed for a period of two years with effect from 1st June, 2014 whose period of office was liable to determination by retirement of directors by rotation.

#### Chairman and Managing Director and CEO

On the recommendation of the nomination and remuneration committee, the Board has re-appointed Mr. Harsh Vardhan Kanoria (holding DIN 00060259) as the Chairman and Managing Director of the Company for a further period of five years with effect from 1st August, 2015, upon the terms and conditions as to remuneration and otherwise as set out in the notice convening AGM.

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

#### I. Statement on declaration given by independent directors

All independent directors of the Company have given declarations that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

#### II. Evaluation of the performance of the board, its committees and individual directors

Nomination and remuneration committee of the Board has devised the criteria for evaluation of the independent directors, the Board and its committees. The Board has carried out annual evaluation of its own performance, and that of its committees and individual directors. More details on the same are given in the corporate governance report.

#### III. Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters

Nomination and remuneration committee (NRC) identify persons who are qualified to become directors in accordance with the criteria laid down. The NRC review the composition and diversity of the Board, keeping in view the requirements of Companies Act, 2013 and listing agreement and recommend to the Board, 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 the report on corporate governance.

## DIRECTORS' REPORT *(Contd.)*

### 15. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, it is hereby stated that:-

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

### 16. NUMBER OF MEETINGS OF THE BOARD

The Board of directors met 4 (four) times during the year under review. More details are available in the corporate governance report.

### 17. BOARD'S EXPLANATION ON REMARKS MADE IN THE SECRETARIAL AUDIT REPORT

Trading window was closed in accordance with code of internal procedures and conduct (CIPC) for prevention of insider trading in dealing with securities of Cheviot Company Limited which was taken note of by all the directors and designated employees of the Company. However, due to inadvertence, the intimation for the above could not be given to BSE Limited. The Company has taken corrective steps to ensure proper compliance in future.

### 18. 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.

### 19. KEY MANAGERIAL PERSONNEL

Mr. Deo Kishan Mohta (Mr. Mohta), who was holding varied positions of President (Corporate Affairs), Chief Financial Officer and Company Secretary of the Company, relinquished his positions as Chief Financial Officer and Company Secretary during the year under review which was accepted by the Board at its meeting held on 9th May, 2014. The vacancy arising in the key managerial positions held by Mr. Mohta was filled-in by the Board at the same meeting by appointing Mr. Madhup Kumar Patni as Chief Financial Officer and Mr. Aditya Banerjee as Company Secretary to act as wholetime key managerial personnel of the Company in compliance with Section 203 of the Companies Act, 2013.

### 20. PARTICULARS OF EMPLOYEES

Disclosure in terms of provisions of Section 197 of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been made in Annexure-V forming part of this Report.

### 21. PUBLIC DEPOSITS

The Company has not accepted deposits from Public under Section 73 of the Companies Act, 2013 read with The Companies (Acceptance of Deposits) Rules, 2014.

### 22. 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;



**DIRECTORS' REPORT** (Contd.)

- (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 impacting the going concern status and the company's operations in future.

**23. STATUTORY AUDITORS**

M/s Jain & Co., Chartered Accountants (ICAI Registration No. 302023E), Statutory Auditors of the Company were appointed at the AGM held on 8th August, 2014 to hold office until the conclusion of the AGM to be held in 2017 subject to ratification by members at every AGM. The Board recommends ratifying the tenure of M/s Jain & Co., Chartered Accountants, as statutory auditors of the Company from the conclusion of ensuing AGM until the conclusion of the next AGM.

A certificate from the auditors 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 continue as statutory auditors of the Company.

**24. COST AUDITORS**

In terms of Section 148 of the Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors) Rules, 2014, on the recommendation of audit committee, Board of directors had appointed M/s D. Radhakrishnan & Co., Cost Accountants (Registration No. 000018), being eligible and having sought re-appointment, as cost auditors of the Company, for a remuneration of ₹ 32,500 plus applicable taxes and re-imbursment 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, 2015 and ending on 31st March, 2016.

As required under Section 148 of the Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to cost auditors is being placed at the ensuing AGM for ratification by the members.

**25. SECRETARIAL AUDIT**

Pursuant to Section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s MR & Associates, a firm of practicing company secretaries to conduct secretarial audit of the Company for the year ended 31st March, 2015. The secretarial audit report is annexed as Annexure-VI to this report.

**26. ACKNOWLEDGEMENTS**

Your directors express their sincere gratitude to financial institutions, banks, government authorities, suppliers and all stakeholders for their continued support to the Company. We value the enduring relation and co-operation from all associates and look forward for their guidance.

The directors would also like to place on record their appreciation for the committed performance by employees at all levels.

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

Kolkata, 19th May, 2015

## ANNEXURE I TO THE DIRECTORS' REPORT

### REPORT ON CORPORATE GOVERNANCE

[Pursuant to clause 49 of the listing agreement with the BSE Limited]

#### 1. Company's philosophy on Code of Governance

The Company's philosophy on corporate governance is directed towards upholding the integrity, transparency and accountability in all affairs of the Company. In pursuit to this objective, management is committed towards constant monitoring of ethical corporate governance practices. Emphasis is placed on sustained growth by maintaining high standard of product quality, transparency in operations, improved productivity and enhanced customer satisfaction. The code of governance strives to attain satisfaction of all stakeholders including customers, shareholders and employees.

#### 2. Board of Directors

##### a) Composition

The composition of the Board of directors (the Board) is in compliance with the provisions of the Companies Act, 2013 and the listing agreement. After re-constitution of the Board at the Board meeting held on 9th May, 2014 the total strength of Board increased to 7 (seven) directors of whom one is promoter director (Chairman and Managing Director), one is wholetime director, one is non-executive promoter director and four are independent directors.

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

Each independent director has confirmed that the total number of independent directorship held during the previous year was not more than seven listed companies.

##### b) Details of attendance of each Director at the Board Meetings and the last Annual General Meeting (AGM) with particulars of their other Directorships and Chairmanships/Memberships of Boards/Committees.

Name of the Directors	Position	Attendance Particulars		No. of other directorships and other committee memberships/chairmanships held		
		Board Meetings	Last AGM held on 8th August, 2014	Directorships #	Committee Memberships *	Committee Chairmanships *
Mr. Harsh Vardhan Kanoria	Chairman and Managing Director, Chief Executive Officer (Promoter Category)	4	Yes	4	Nil	Nil
Mr. Nawal Kishore Kejriwal	Wholetime Director	3	Yes	1	Nil	Nil
Mr. Navin Nayar	Independent Director	4	Yes	8	Nil	Nil
Mr. Parag Keshar Bhattacharjee	Independent Director	4	Yes	10	2	Nil
Mr. Sushil Dhandhanania	Independent Director	4	Yes	8	Nil	Nil
Mr. Padam Kumar Khaitan	Independent Director	3	No	12	3	2
Mrs. Malati Kanoria **	Non Executive Director (Promoter Category)	2	No	4	Nil	Nil

# Includes alternate directorship and directorship in Private Limited Companies and Foreign Company.

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

\*\* Appointed w.e.f. 9th May, 2014.

**ANNEXURE I TO THE DIRECTORS' REPORT** *(Contd.)***c) Number of Board meetings held and dates on which held**

4 (four) meetings of the Board were held during the year on 9th May, 2014, 8th August, 2014, 11th November, 2014 and 7th February, 2015. The maximum gap between two meetings was less than one hundred and twenty days. During the year, a separate meeting of the independent directors was held on 11th March, 2015 which was attended by all the independent directors.

**d) Brief details of directors seeking appointment/re-appointment**

The brief details of directors seeking re-appointment are appended to the Notice convening the ensuing annual general meeting.

**e) Performance evaluation**

The nomination and remuneration committee 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 list 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 11th March, 2015 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.

**f) Familiarisation programme for independent directors**

The Company has a familiarisation programme for independent directors and the same is available on the website of the Company ([www.groupcheviot.net](http://www.groupcheviot.net)).

**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 proper plans in place for orderly succession for appointments to the Board and senior managerial category.

**3. Audit committee****i) Brief description of Terms of Reference**

In accordance with the provisions of Section 177 of the Companies Act, 2013 audit committee of the Board exercise powers, perform roles and review information as necessary from time to time. The functions of audit committee are elaborately expressed under clause 49 of the listing agreement. Keeping in view the provisions of Companies Act, 2013 and listing agreement, the terms of reference of the audit committee inter alia include :

- Examination of the quarterly and annual financial statement and the auditors' report thereon;
- Recommending the terms of appointment of the statutory auditors and cost auditors of the Company along with proposed remuneration;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain auditor's independence and performance and effectiveness of audit process;
- Scrutiny of inter-corporate loans and investments;
- Reviewing the adequacy of internal audit function, reporting structure coverage and frequency of internal audit;

**ANNEXURE I TO THE DIRECTORS' REPORT** *(Contd.)*

- Examining the findings of the internal auditors and to discuss these periodically with the Company's officials relating to internal control procedures;
- Reviewing the compliances with listing agreement and other compliances;
- Reviewing the Company's financial and risk management policies;
- Transactions with related parties;
- Reviewing the accounting policies and adoption of applicable accounting standards.

**ii) Composition**

The composition of the audit committee is as follows :

Name of the directors	Designation	Category
Mr. Navin Nayar	Chairman	Independent Director
Mr. Parag Keshar Bhattacharjee	Member	Independent Director
Mr. Sushil Dhandhanian	Member	Independent Director

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

**iii) Meetings and attendance**

During the year, 4 (four) meetings of the audit committee were held on 9th May, 2014, 7th August, 2014, 11th November, 2014 and 6th February, 2015.

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

President (Corporate Affairs), Chief Financial Officer, representative of statutory auditor, internal auditors and cost auditors were invitees to the meetings of the audit committee. The chairman of the audit committee was present at the last AGM of your Company held on 8th August, 2014. Minutes of each audit committee are placed before the Board for noting.

The maximum gap between any two meetings was less than one hundred and twenty days.

**4. Nomination and remuneration committee****i) Brief description of Terms of Reference**

The role and terms of reference of the nomination and remuneration committee are in accordance with the provisions of Section 178 of the Companies Act, 2013 and as specified under cause 49 of the listing agreement.

The terms of reference include :

- To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director;
- To devise a policy on Board diversity;
- To formulate the criteria for evaluation of the Board, its member including independent directors and every other Committee formed by the Board;
- To identify persons who are qualified to become directors and who may be appointed in senior managerial category in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal;
- To carry out evaluation of every director's performance;
- To recommend terms of appointment/re-appointment of the managing director(s), whole-time director(s), non-executive directors and independent directors;
- To prepare and propose the succession planning of Board members and senior managerial personnel;
- To evaluate and recommend changes in the remuneration of the managing director, wholetime director, key managerial personnel and senior managerial personnel under the remuneration policy.

**ANNEXURE I TO THE DIRECTORS' REPORT** (Contd.)**ii) Composition**

The composition of nomination and remuneration committee is as follows :

Name of the directors	Designation	Category
Mr. Sushil Dhandhania	Chairman	Independent Director
Mr. Navin Nayar	Member	Independent Director
Mr. Parag Keshar Bhattacharjee	Member	Independent Director

**iii) Meetings and attendance**

During the year, 4 (four) meetings of the nomination and remuneration committee were held on 9th May, 2014, 7th August, 2014, 6th February, 2015 and 11th March, 2015.

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

**iv) Disclosure of remuneration policy and evaluation criteria****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, KMPs, senior managerial 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.

**ANNEXURE I TO THE DIRECTORS' REPORT** *(Contd.)*

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 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.

## 4. Remuneration of key managerial personnel (KMP) and senior managerial 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. Disclosure of 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 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;

**ANNEXURE I TO THE DIRECTORS' REPORT** (Contd.)

(₹ in Lakhs)

- 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.

**v) Details of remuneration of directors**

Details of remuneration of executive directors for the year ended 31st March, 2015:

Name of the directors	Salary	Commission	Contribution to provident fund	Estimated value of other perquisites	Tenure of appointment
Mr. Harsh Vardhan Kanoria	18.00	153.00	1.80	11.85	5 years from 1st August, 2010
Mr. Nawal Kishore Kejriwal	15.00	15.00	1.50	9.07	2 years from 1st June, 2014

The appointment of the executive directors is governed by the articles of association of the Company and the resolutions passed by the Board of directors and the members of the Company.

Effective from 9th May, 2014, all appointments and terms of remuneration are being considered by the Board based on the recommendation of the nomination and remuneration committee.

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/independent directors for the year ended 31st March, 2015:

Non-Executive/Independent directors	Sitting fees	Commission
Mrs. Malati Kanoria*	0.10	4.00
Mr. Sushil Dhandhanania	0.20	4.00
Mr. Navin Nayar	0.20	4.00
Mr. Parag Keshar Bhattacharjee	0.20	4.00
Mr. Padam Kumar Khaitan **	0.15	4.00

\*Appointed w.e.f. 9th May, 2014.

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

The remuneration to non-executive directors was decided by the Board of directors of the Company within the limits specified in the special resolution passed by the members. Effective from 9th May, 2014, all appointments and terms of remuneration are being considered by the Board based on the recommendation of the nomination and remuneration committee.

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

None of the independent directors holds any share in the Company.

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

**vi) Policy on Board Diversity**

The nomination and remuneration committee have devised a policy on Board diversity.

**ANNEXURE I TO THE DIRECTORS' REPORT** (Contd.)**5. Stakeholders Relationship Committee****a) Composition**

The composition of stakeholders relationship committee is as follows :

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

**b) Meetings and attendance**

Four meetings of the said committee were held on 9th May, 2014, 7th August, 2014, 11th November, 2014 and 7th February, 2015.

Name of the directors	Number of meetings attended
Mr. Sushil Dhandhanian	4
Mr. Parag Keshar Bhattacharjee	4
Mr. Nawal Kishore Kejriwal	3

**c) Scope of stakeholders relationship committee**

The Committee deals with various matters relating to redressal of shareholders' and investors' queries and grievances such as transfers and transmissions of shares, issue of duplicate share certificates, sub-division and consolidation of certificates, non-receipt of annual reports, non-receipt of declared dividend etc.

The Committee also reviews the status of dematerialisation/re-materialisation of shares and suggests measures for improvement of procedures and systems.

86 queries/complaints received from the shareholders during the year under review have been redressed to the satisfaction of 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.

**d) Compliance Officer**

Mr. Deo Kishan Mohta, President (Corporate Affairs) acted as the Secretary to all the Committees and was the Compliance Officer of the Company upto 8th May, 2014. Mr. Aditya Banerjee, Company Secretary was appointed to act as the Secretary to all the Committees and Compliance Officer of the Company with effect from 9th May, 2014.

**6. Other committees****I. Corporate Social Responsibility Committee****a) Composition**

The composition of Corporate Social Responsibility (CSR) Committee is as follows:

Name of the directors	Designation	Category
Mr. Harsh Vardhan Kanoria	Chairman	Chairman and Managing Director
Mr. Padam Kumar Khaitan	Member	Independent Director
Mr. Sushil Dhandhanian	Member	Independent Director

Corporate social responsibility (CSR) Committee of the Board was constituted on 9th May, 2014 in order to formulate and recommend to the Board a CSR Policy indicating the activities to be undertaken by the Company and to discharge such other responsibilities as required under the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.



**ANNEXURE I TO THE DIRECTORS' REPORT** (Contd.)**b) Meetings and attendance**

Two meetings of the corporate social responsibility committee were held on 9th May, 2014 and 11th November, 2014 which were attended by all the members.

**II. Risk Management Committee****a) Composition**

The composition of risk management committee is as follows :

Name of the members	Designation	Category
Mr. Harsh Vardhan Kanoria	Chairman	Chairman and Managing Director
Mr. Nawal Kishore Kejriwal	Member	Wholetime Director
Mr. Sushil Dhandhanania	Member	Independent Director
Mr. Navin Nayar	Member	Independent Director
Mr. Utkarsh Kanoria	Member	President
Mr. Deo Kishan Mohta	Member	President (Corporate Affairs)
Mr. Madhup Kumar Patni	Member	Chief Financial Officer

The Company has laid down procedure to inform board members about the risk assessment and minimisation procedures. The roles and responsibilities of the risk management committee are defined by the Board and includes reviewing the existing risk management plan and to take required action towards identifying new areas of potential risk exposure, create necessary conditions towards implementation of risk management plan and procedures within the organisation to manage all identified risks, periodical monitoring of adequate compliances with adopted risk management plans and reporting to the Board for the remedial actions taken to redress areas of weaknesses.

**b) Meetings and attendance**

A meeting of the risk management committee was held on 11th March, 2015 which was attended by all the members.

**7. General Body Meetings****a) Location and date/time where last three Annual General Meetings (AGM) were held and No. of special resolution passed:**

Financial Year	Location	Date	Time	No. of Special Resolution Passed
2011-2012	The Sitaram Seksaria Auditorium Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani (4th Floor), Kolkata-700 017	27th July, 2012	11.00 a.m.	Nil
2012-2013		26th July, 2013	11.00 a.m.	Nil
2013-2014		8th August, 2014	11.00 a.m.	3

**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.

**8. Disclosures**

- There are no related party transactions of material nature made by Company with its promoters, directors or their relatives etc. that may have potential conflict with the interests of Company at large. All transactions with related party were entered 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 transactions of the Company. Disclosure as required under accounting standard - 18 has been made in Note 48 to the financial statements for the year ended 31st March, 2015.

**ANNEXURE I TO THE DIRECTORS' REPORT** (Contd.)

- Policy on related party transactions and other policies and code of conduct adopted by the Board are displayed on the website (www.groupcheviot.net).
- During the last three years, no penalties 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 market.
- Pursuant to Section 177 of the Companies Act, 2013 and clause 49 of the listing agreement, the Company has established a vigil mechanism/whistle blower policy as disclosed in the Board Report. No personnel has been denied access to the audit committee.
- The Company does not have any subsidiary.
- The Company has complied with all the mandatory requirements of clause 49 of the listing agreement.

**9. Means of Communication**

- The financial results of the Company are sent to BSE Limited and published in newspapers as required under clause 41 of the listing agreement. Half-yearly declaration of financial performance is not sent to each household of shareholders.
- Quarterly financial results are normally published in Business Standard in its all India editions (in English) and Aajkal (in Bengali).
- Unaudited quarterly and audited annual financial results, shareholding pattern etc. are displayed on the website of the Company "www.groupcheviot.net" at the end of each quarter/year.
- The Company has not made any presentation to institutional investors or to the analysts during the year under review.
- The management discussion and analysis report forms part of the directors' report.

**10. General shareholder information :**

i)	AGM : Date, Time and Venue	13th August, 2015 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 : April 2015 to March 2016 II. First quarter results : 13th August, 2015 III. Half yearly results : On or before 14th November, 2015 IV. Third quarter results : On or before 14th February, 2016 V. Audited annual Accounts : On or before 30th May, 2016
iii)	Date of book closure	8th August, 2015 to 13th August, 2015 (both days inclusive)
iv)	Dividend payment date	18th August, 2015
v)	Listing on Stock Exchange (Equity Shares)	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400 001 Listing fees for the year 2015-2016 has been paid.
vi)	Stock Code-Physical	526817 on BSE Limited
	Demat ISIN Number for NSDL and CDSL	INE974B01016
vii)	Market Price data: High, Low during each month in last financial year	Information has been given at the end of clause 10.
viii)	Stock performance of the Company in comparison to BSE Sensex. (April, 2014 to March, 2015)	Information has been given at the end of clause 10.
ix)	Registrar and Share Transfer Agent	Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, (2nd Floor), Kolkata - 700 001 Phone : 033- 2243 5029/5809 Fax : 033-2248 4787 E-mail : mdpl@cal.vsnl.net.in

**ANNEXURE I TO THE DIRECTORS' REPORT** (Contd.)

x)	Share Transfer System	Information has been given at the end of clause 10.
xi)	Distribution of Shareholding as on 31st March, 2015	Information has been given at the end of clause 10.
xii)	Dematerialisation of shares and liquidity	As on 31st March, 2015, 96.1024% of the Company's paid-up share capital representing 4335418 shares is held in dematerialised form.
xiii)	Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity	Not issued
xiv)	Plant Locations	The Company's plants are located at following places: i) 19, Mehta Road, Badekalinagar, Budge Budge, 24, Parganas (South) - 700 137, (West Bengal); ii) Sector II, Falta Special Economic Zone, Falta, 24, Parganas (South) - 743 504, (West Bengal).
xv)	Address for Correspondence	Cheviot Company Limited CIN : L65993WB1897PLC001409 24, Park Street, Magma House, (9th Floor), Kolkata - 700 016 Phone : 033 - 3291 9624/25/28 Fax : 033 - 2249 7269 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

**Information in respect of clause 10 (vii)**

Market Price data: High, Low during 2014-2015 is given in the table below :

Month	BSE Limited	
	High (₹)	Low (₹)
April, 2014	328.40	296.00
May, 2014	355.70	304.00
June, 2014	373.95	329.55
July, 2014	406.90	354.10
August, 2014	370.00	306.05
September, 2014	390.00	331.00
October, 2014	370.00	325.00
November, 2014	376.90	336.50
December, 2014	400.00	293.60
January, 2015	389.80	325.00
February, 2015	374.90	328.00
March, 2015	363.00	336.40

**ANNEXURE I TO THE DIRECTORS' REPORT** (Contd.)**Information in respect of clause 10 (viii)**

Stock performance of the Company in comparison to BSE Sensex (April, 2014 to March, 2015) :

Month	Company' share price at BSE Limited in (₹)		BSE Sensex	
	High	Low	High	Low
April, 2014	328.40	296.00	22939.31	22197.51
May, 2014	355.70	304.00	25375.63	22277.04
June, 2014	373.95	329.55	25725.12	24270.20
July, 2014	406.90	354.10	26300.17	24892.00
August, 2014	370.00	306.05	26674.38	25232.82
September, 2014	390.00	331.00	27354.99	26220.49
October, 2014	370.00	325.00	27894.32	25910.77
November, 2014	376.90	336.50	28822.37	27739.56
December, 2014	400.00	293.60	28809.64	26469.42
January, 2015	389.80	325.00	29844.16	26776.12
February, 2015	374.90	328.00	29560.32	28044.49
March, 2015	363.00	336.40	30024.74	27248.45

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

Share transfers in physical and demat form are processed by the Registrar and Share Transfer Agent, M/s Maheshwari Datamatics Pvt. Ltd. on regular basis. The transfer/transmission of shares are approved in accordance with the powers delegated by the Board of Directors to the Chairman and Managing Director, Wholetime Director, President (Corporate Affairs) and Company Secretary.

The shares lodged for transfers/dematrisation 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 Practicing Company Secretaries carries out the secretarial audit to reconcile the total admitted Capital in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form and to confirm that the total listed and paid-up capital are in agreement with the aggregate number of shares. This audit is carried out in every quarter and the report is submitted to the BSE Limited.

**Information in respect of clause 10 (xi)**

a) Distribution of Shareholding as on 31st March, 2015 :

Number of Ordinary shares held	Number of Shares	Percentage of Shareholding	Number of Shareholders/folios	Percentage of Shareholders
Up to 500	5,21,280	11.5551	5548	94.1137
501 to 1000	1,41,987	3.1474	194	3.2909
1001 to 2000	1,29,621	2.8733	92	1.5606
2001 to 3000	65,882	1.4604	26	0.4410
3001 to 4000	30,443	0.6748	9	0.1527
4001 to 5000	35,700	0.7914	8	0.1357
5001 to 10000	63,752	1.4132	9	0.1527
10001 and above	35,22,585	78.0844	9	0.1527
Total	45,11,250	100.0000	5895	100.0000
Physical Mode	1,75,832	3.8976	1505	25.5301
Demat Mode	43,35,418	96.1024	4390	74.4699

**ANNEXURE I TO THE DIRECTORS' REPORT** (Contd.)

b) Categories of equity shareholders as on 31st March, 2015 :

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	0	0	0.0000
	Total Shareholding of Promoter and Promoter Group	7	33,83,312	74.9972
(B)	Public shareholding			
	1. Institutions	21	20,868	0.4626
	2. Non-institutions	5,867	11,07,070	24.5402
	Total Public Shareholding	5,888	11,27,938	25.0028
(C)	Shares held by Custodians and against which Depository Receipts have been issued			
	1. Promoter & Promoter Group	0	0	0.0000
	2. Public	0	0	0.0000
	Total Shares held by Custodians	0	0	0.0000
	TOTAL (A)+(B)+(C)	5,895	45,11,250	100.0000

\*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.

**11. Declaration on compliance with Company's Code of Conduct**

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

**12. CEO and CFO certification**

Mr. Harsh Vardhan Kanoria, Chairman and Managing Director, Chief Executive Officer and Mr. Madhup Kumar Patni, Chief Financial Officer of the Company have provided annual certification on the financial statements and the cash flow statement to the Board in terms of clause 49 of the listing agreement.

**13. Status of compliance with mandatory and non-mandatory requirements****a. Mandatory requirements**

The Company has complied with all mandatory requirements prescribed under clause 49 of the listing agreement. The auditors' certificate regarding compliance of conditions of corporate governance by the Company is annexed to the Directors' Report.

**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 in the website for public information. The Company has received unqualified financial statements during the year ended 31st March, 2015 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.

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

Kolkata, 19th May, 2015

**ANNEXURE I TO THE DIRECTORS' REPORT** *(Contd.)***Declaration regarding compliance with Company's Code of Conduct as required under Clause 49 of the Listing Agreement**

I hereby declare that all the Board members and senior managerial personnel of the Company have affirmed compliance with the Company's code of conduct for the financial year ended 31st March, 2015.

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

Kolkata, 19th May, 2015

**Auditors' Certificate on Compliance with the conditions of corporate governance under Clause 49 of the Listing Agreement****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, 2015, as stipulated in clause 49 of the listing agreement of the Company with the BSE Limited.

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 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 agreement.

We have been explained that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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.

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 19th day of May, 2015

**ANNEXURE II TO THE DIRECTORS' REPORT****FORM NO. MGT-9****Extract of annual return as on the financial year ended on 31st March, 2015**

[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 - 3291-9624/25/28; Fax Number - 22497269/ 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 6, Mangoe Lane, (2nd Floor), Kolkata - 700 001 Phone : 033-2243 5029/5809; Fax : 033-2248 4787 E-mail : mdpl@cal.vsnl.net.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated :

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 -**

S. 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, 2014)				No. of Shares held at the end of the year (As on 31st March, 2015)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
1)	<b>Indian</b>									
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	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(1)</b>	<b>33,83,312</b>	<b>-</b>	<b>33,83,312</b>	<b>74.9972</b>	<b>33,83,312</b>	<b>-</b>	<b>33,83,312</b>	<b>74.9972</b>	<b>-</b>
2)	<b>Foreign</b>									
a)	NRIs- Individuals	-	-	-	-	-	-	-	-	-
b)	Other- Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
d)	Banks/FI	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total shareholding of Promoters (A) = (A)(1) + (A)(2)</b>	<b>33,83,312</b>	<b>-</b>	<b>33,83,312</b>	<b>74.9972</b>	<b>33,83,312</b>	<b>-</b>	<b>33,83,312</b>	<b>74.9972</b>	<b>-</b>
<b>B.</b>	<b>Public Shareholding</b>									
1)	<b>Institutions</b>									
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	13,168	-	13,168	0.2919	13,168	-	13,168	0.2919	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(1)</b>	<b>13,394</b>	<b>7,474</b>	<b>20,868</b>	<b>0.4626</b>	<b>13,394</b>	<b>7,474</b>	<b>20,868</b>	<b>0.4626</b>	<b>-</b>
2)	<b>Non-Institutions</b>									
a)	Bodies Corporate									
i)	Indian	1,42,712	9,121	1,51,833	3.3657	1,39,440	9,121	1,48,561	3.2931	(0.0726)
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, 2014)				No. of Shares held at the end of the year (As on 31st March, 2015)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b)	Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	6,89,787	137,950	8,27,737	18.3483	7,38,517	1,33,403	8,71,920	19.3277	0.9794
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	77,165	-	77,165	1.7105	33,817	-	33,817	0.7496	(0.9609)
	c) Others (specify)	-	-	-	-	-	-	-	-	-
	Non Resident Individual	23,625	18,605	42,230	0.9361	25,410	18,578	43,988	0.9751	0.0390
	Foreign National	-	7,256	7,256	0.1608	-	7,256	7,256	0.1608	-
	Clearing Member	839	-	839	0.0186	1,130	-	1,130	0.0251	0.0065
	Trusts	10	-	10	0.0002	398	-	398	0.0088	0.0086
	Sub-Total (B) (2)	9,34,138	1,72,932	11,07,070	24.5402	9,38,712	1,68,358	11,07,070	24.5402	-
	Total Public Shareholding (B) = (B) (1) + (B) (2)	9,47,532	1,80,406	11,27,938	25.0028	9,52,106	1,75,832	11,27,938	25.0028	-
C)	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	43,30,844	1,80,406	45,11,250	100.0000	43,35,418	1,75,832	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, 2014)			Shareholding at the end of the year (As on 31st March, 2015)			% 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	-	-
	<b>Total</b>	<b>33,83,312</b>	<b>74.9972</b>	<b>-</b>	<b>33,83,312</b>	<b>74.9972</b>	<b>-</b>	<b>-</b>

**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, 2014)		Cumulative Shareholding during the year (1st April, 2014 to 31st March, 2015)	
		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 Promoters' Shareholding between 1st April, 2014 and 31st March, 2015			
	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) Share Holding 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, 2014)		Cumulative Shareholding during the year (As on 31st March, 2015)	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1.	<b>Winfin Financial Consultants Private Limited</b>						
	At the beginning of the year			73,434	1.6278	73,434	1.6278
	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					73,434	1.6278
2.	<b>S N Rajan</b>						
	At the beginning of the year			24,965	0.5534	24,965	0.5534
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.) :						
		4-4-2014	Market Sale	473	0.0105	24,492	0.5429
		23-5-2014	Market Sale	2,732	0.0606	21,760	0.4823
		30-5-2014	Market Sale	1,000	0.0221	20,760	0.4602
		6-6-2014	Market Sale	651	0.0144	20,109	0.4458
		13-6-2014	Market Sale	2,000	0.0444	18,109	0.4014
		20-6-2014	Market Sale	1,366	0.0303	16,743	0.3711
		30-6-2014	Market Sale	1,491	0.0330	15,252	0.3381
		04-7-2014	Market Sale	3,041	0.0674	12,211	0.2707
		16-1-2015	Market Sale	5,500	0.1219	6,711	0.1488
		30-1-2015	Market Sale	1,000	0.0222	5,711	0.1266
		06-2-2015	Market Sale	400	0.0089	5,311	0.1177
	13-2-2015	Market Sale	1,576	0.0349	3,735	0.0828	
	06-3-2015	Market Sale	1,466	0.0325	2,269	0.0503	
	20-3-2015	Market Sale	400	0.0089	1,869	0.0414	
	At the end of the year					1,869	0.0414

**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, 2014)		Cumulative Shareholding during the year (As on 31st March, 2015)	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
3.	<b>Bharat Jayantil Patel</b>						
	At the beginning of the year			22,863	0.5068	22,863	0.5068
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.):	11-7-2014	Market Sale	5,000	0.1108	17,863	0.3960
		21-11-2014	Market Sale	17,863	0.3960	-	-
	At the end of the year					-	-
4.	<b>Meenaz Kassam</b>						
	At the beginning of the year			16,938	0.3755	16,938	0.3755
	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					16,938	0.3755
5.	<b>Minal Bharat Patel</b>						
	At the beginning of the year			15,954	0.3536	15,954	0.3536
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.):	11-7-2014	Market Purchase	3,329	0.0738	19,283	0.4274
		21-11-2014	Market Purchase	17,863	0.3960	37,146	0.8234
At the end of the year					37,146	0.8234	
6.	<b>Venkattu Srinivasan</b>						
	At the beginning of the year			13,383	0.2967	13,383	0.2967
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.):	4-4-2014	Market Sale	703	0.0156	12,680	0.2811
		30-5-2014	Market Sale	1,000	0.0222	11,680	0.2589
		18-7-2014	Market Sale	650	0.0144	11,030	0.2445
		25-7-2014	Market Sale	153	0.0034	10,877	0.2411
		1-8-2014	Market Sale	500	0.0111	10,377	0.2300
		19-9-2014	Market Sale	1,600	0.0354	8,777	0.1946
		21-11-2014	Market Sale	500	0.0111	8,277	0.1835
		28-11-2014	Market Sale	41	0.0009	8,236	0.1826
		02-1-2015	Market Purchase	500	0.0111	8,736	0.1937
		06-2-2015	Market Sale	500	0.0111	8,236	0.1826
		06-3-2015	Market Sale	300	0.0067	7,936	0.1759
		13-3-2015	Market Sale	44	0.0010	7,892	0.1749
At the end of the year					7,892	0.1749	

**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, 2014)		Cumulative Shareholding during the year (As on 31st March, 2015)	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
7	<b>Amrit India Value Fund Limited</b>						
	At the beginning of the year			13,168	0.2919	13,168	0.2919
	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					13,168	0.2919
8	<b>D Kannan</b>						
	At the beginning of the year			8,595	0.1905	8,595	0.1905
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.):	13-6-2014	Market Sale	1,000	0.0221	7,595	0.1684
		31-12-2014	Market Sale	1,100	0.0244	6,495	0.1440
		16-1-2015	Market Sale	693	0.0154	5,802	0.1286
		23-1-2015	Market Sale	2,787	0.0618	3,015	0.0668
		6-2-2015	Market Sale	3,015	0.0668	-	-
At the end of the year					-	-	
9	<b>Sanjay Natvarlal Shah</b>						
	At the beginning of the year			8,552	0.1896	8,552	0.1896
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.):	23-5-2014	Market Purchase	1,500	0.0333	10,052	0.2229
		30-5-2014	Market Sale	1,000	0.0222	9,052	0.2007
		6-6-2014	Market Sale	438	0.0096	8,614	0.1909
At the end of the year					8,614	0.1909	
10	<b>Master Pratham Lodha</b>						
	At the beginning of the year			7,200	0.1596	7,200	0.1596
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.):	30-9-2014	Market Sale	3,700	0.0820	3,500	0.0776
		28-11-2014	Market Sale	3,500	0.0776	-	-
At the end of the year					-	-	
11	<b>Rajasthan Global Securities Limited</b>						
	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.):	23-1-2015	Market Purchase	6,001	0.1330	6,001	0.1330
		30-1-2015	Market Purchase	3,555	0.0788	9,556	0.2118
		06-2-2015	Market Purchase	112	0.0025	9,668	0.2143
		13-2-2015	Market Purchase	1,440	0.0319	11,108	0.2462
		20-2-2015	Market Purchase	729	0.0162	11,837	0.2624
		27-3-2015	Market Purchase	129	0.0028	11,966	0.2652
At the end of the year					11,966	0.2652	

**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, 2014)		Cumulative Shareholding during the year (As on 31st March, 2015)	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
12	<b>Bharat Kunverji Kenia</b>						
	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.):	6-3-2015	Market Purchase	9,000	0.1995	9,000	0.1995
	At the end of the year					9,000	0.1995
13	<b>Mohan Lall Golechha</b>						
	At the beginning of the year			6,505	0.1442	6,505	0.1442
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.):	4-4-2014	Market Sale	2	-	6,503	0.1442
		11-4-2014	Market Purchase	101	0.0022	6,604	0.1464
		18-4-2014	Market Sale	151	0.0034	6,453	0.1430
		25-4-2014	Market Purchase	255	0.0057	6,708	0.1487
		02-5-2014	Market Purchase	259	0.0057	6,967	0.1544
		09-5-2014	Market Sale	361	0.0080	6,606	0.1464
		16-5-2014	Market Sale	337	0.0074	6,269	0.1390
		23-5-2014	Market Purchase	698	0.0154	6,967	0.1544
		30-5-2014	Market Purchase	151	0.0033	7,118	0.1578
		06-6-2014	Market Sale	759	0.0168	6,359	0.1410
		13-6-2014	Market Sale	975	0.0217	5,384	0.1193
		20-6-2014	Market Sale	185	0.0041	5,199	0.1152
		30-6-2014	Market Purchase	387	0.0086	5,586	0.1238
		04-7-2014	Market Sale	988	0.0219	4,598	0.1019
		11-7-2014	Market Purchase	428	0.0095	5,026	0.1114
		18-7-2014	Market Purchase	1,809	0.0401	6,835	0.1515
		25-7-2014	Market Purchase	1,224	0.0271	8,059	0.1786
		1-8-2014	Market Sale	648	0.0143	7,411	0.1643
		8-8-2014	Market Purchase	1,151	0.0255	8,562	0.1898
		14-8-2014	Market Purchase	23	0.0005	8,585	0.1903
		22-8-2014	Market Purchase	76	0.0017	8,661	0.1920
		05-9-2014	Market Purchase	62	0.0014	8,723	0.1934
		12-9-2014	Market Sale	416	0.0093	8,307	0.1841
		19-9-2014	Market Sale	100	0.0022	8,207	0.1819
		30-9-2014	Market Purchase	2,063	0.0458	10,270	0.2277
	17-10-2014	Market Purchase	4	0.0001	10,274	0.2278	

**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, 2014)		Cumulative Shareholding during the year (As on 31st March, 2015)	
			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	24-10-2014	Market Purchase	98	0.0021	10,372	0.2299
	31-10-2014	Market Sale	20	0.0004	10,352	0.2295
	7-11-2014	Market Sale	1,909	0.0423	8,443	0.1872
	14-11-2014	Market Sale	248	0.0055	8,195	0.1817
	21-11-2014	Market Purchase	570	0.0126	8,765	0.1943
	28-11-2014	Market Purchase	101	0.0022	8,866	0.1965
	5-12-2014	Market Purchase	400	0.0089	9,266	0.2054
	12-12-2014	Market Purchase	707	0.0157	9,973	0.2211
	19-12-2014	Market Sale	1,658	0.0368	8,315	0.1843
	31-12-2014	Market Sale	351	0.0078	7,964	0.1765
	9-1-2015	Market Sale	646	0.0143	7,318	0.1622
	16-1-2015	Market Purchase	98	0.0022	7,416	0.1644
	6-2-2015	Market Purchase	339	0.0075	7,755	0.1719
	13-2-2015	Market Purchase	631	0.0140	8,386	0.1859
	20-2-2015	Market Sale	132	0.0029	8,254	0.1830
	27-2-2015	Market Purchase	520	0.0115	8,774	0.1945
	06-3-2015	Market Sale	4,211	0.0934	4,563	0.1011
	13-3-2015	Market Purchase	445	0.0099	5,008	0.1110
	20-3-2015	Market Purchase	881	0.0195	5,889	0.1305
	27-3-2015	Market Purchase	983	0.0218	6,872	0.1523
	31-3-2015	Market Purchase	826	0.0183	7,698	0.1706
	At the end of the year				7,698	0.1706

**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, 2014)		Cumulative Shareholding during the year (As on 31st March, 2015)	
			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	<b>Mr. Harsh Vardhan Kanoria, Chairman and Managing Director</b>					
	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	<b>Mrs. Malati Kanoria, Non-Executive Director **</b>					
	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

**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, 2014)		Cumulative Shareholding during the year (As on 31st March, 2015)		
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company	
3	<b>Mr. Nawal Kishore Kejriwal, Wholetime Director</b>							
	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	
4	<b>Mr. Deo Kishan Mohta, President (Corporate Affairs) and Secretary, Chief Financial Officer *</b>							
	At the beginning of the year			15	0.0003	15	0.0003	
	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			15	0.0003	15	0.0003	
5	<b>Mr. Madhup Kumar Patni, Chief Financial Officer**</b>							
	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):		17-06-2014	Market Purchase	10	0.0002	10	0.0002
	At the end of the year			10	0.0002	10	0.0002	
6	<b>Mr. Aditya Banerjee, Company Secretary **</b>							
	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):		10-06-2014	Market Purchase	10	0.0002	10	0.0002
	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.

\* Relinquished the position of Company Secretary and Chief Financial Officer w.e.f. 9th May, 2014

\*\* Appointed w.e.f. 9th May, 2014

**V INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
<b>Indebtedness at the beginning of the financial year (1st April, 2014)</b>				
i) Principal Amount	1,323.85	-	-	1,323.85
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.14	-	-	0.14
<b>Total (i+ii+iii)</b>	<b>1,323.99</b>	-	-	<b>1,323.99</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	113.76	-	-	113.76
Reduction	15.00	-	-	15.00
<b>Net Change</b>	<b>98.76</b>	-	-	<b>98.76</b>
<b>Indebtedness at the end of the financial year (31st March, 2015)</b>				
i) Principal Amount	1,422.55	-	-	1,422.55
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.20	-	-	0.20
<b>Total (i+ii+iii)</b>	<b>1,422.75</b>	-	-	<b>1,422.75</b>

**ANNEXURE II TO THE DIRECTORS' REPORT** (Contd.)

(₹ In Lakhs)

**VI Remuneration of directors and key managerial personnel****A Remuneration to managing director, wholetime directors 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	27.00	21.14	48.14
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	2.65	2.21	4.86
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of Profit	153.00	15.00	168.00
5	Others, please specify			
	(Retiral Benefits)	2.00	2.22	4.22
	Total (A)	184.65	40.57	225.22
	Ceiling as per the Act	₹ 370.44 (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 the 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	0.20	0.20	-	0.75
	Commission	4.00	4.00	4.00	4.00	-	16.00
	Others, please specify	-	-	-	-	-	-
	Total (1)	4.20	4.15	4.20	4.20	-	16.75
2.	Other non-executive Directors						
	Fee for attending board/ committee meetings	-	-	-	-	0.10	0.10
	Commission	-	-	-	-	4.00	4.00
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	4.10	4.10
	Total (B) = (1 + 2)	4.20	4.15	4.20	4.20	4.10	20.85
	Total Managerial Remuneration (A + B)	-	-	-	-	-	246.07
	Overall Ceiling as per the Act	₹ 407.49 (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/WTD**

Sl. No.	Particulars of Remuneration	Name of key managerial personnel			Total Amount
		Mr. Deo Kishan Mohta, President (Corporate Affairs) and Secretary, Chief Financial Officer *	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	25.68	18.01	9.23	52.92
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.70	0.86	0.40	1.96
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
5	Others, please specify				
	(Retiral Benefits)	2.38	2.04	1.54	5.96
	Total	28.76	20.91	11.17	60.84

\* Relinquished the position of Company Secretary and Chief Financial Officer w.e.f. 9th May, 2014

\*\* Appointed w.e.f. 9th May, 2014

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

**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) Modification of power drive system in conventional spinning frames; (ii) Replacement of old tube lights with energy saving LED lamps; (iii) Installation of variable voltage and variable frequency drive in machine.
(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) The Company is making maximum use of natural lighting during day time and gradually inducting safelux system to get the factory premises illuminated; (ii) Introduction of solar power system is under technical study.
(iii) The capital investment on energy conservation equipments	No capital investment on energy conservation equipment was made 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 a continuous process. The Company keeps track of new machines and upgrade its plant and machinery with the latest available technology.
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution	Improved productivity and automation processes. Cost reduction has however, been partly offset by the increase in cost of other inputs.
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- 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	No technology has been imported during the last three years.
(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 : ₹ 12,911.83  
(ii) Foreign exchange outgo in terms of actual outflow : ₹ 2,217.70

For and on behalf of the Board  
HARSH VARDHAN KANORIA  
Chairman and Managing Director,  
Chief Executive Officer  
DIN : 00060259

Kolkata, 19th May, 2015

**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 by making contribution to charitable Trusts for promoting education and setting up old age homes during the year 2014-15. The CSR Policy is available on Company website ( <a href="http://www.groupcheviot.net">www.groupcheviot.net</a> ).			
2.	The Composition of the CSR Committee			The members of the CSR Committee consist of: 1. Mr. Harsh Vardhan Kanoria (Chairman and Managing Director) – Chairman 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			₹ 3,732.05			
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)			₹ 74.64			
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 :			₹ 74.64 NIL			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. 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 programs-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	65.00	65.00 *	65.00	Through implementing agency : Jan Priya Trust
5b.	For setting up old age home	Cl. (iii) Setting up old age home	1. Other 2. Malinibheel, Tarapur, Silchar, Assam, India	10.00	10.00 *	10.00	Through implementing agency : Bharat Sevashram Sangha
Total				75.00	75.00	75.00	
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 the 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  
Chairman – CSR Committee

## ANNEXURE V 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)	<b>The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year :</b>				
	<b>Directors</b>			Ratio	
	Mr. Harsh Vardhan Kanoria, Chairman and Managing Director, Chief Executive Officer			139:1	
	Mr. Nawal Kishore Kejriwal, Wholetime Director			31:1	
	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			#	
(ii)	<b>The percentage increase in remuneration of each director, chief financial officer, chief executive officer, company secretary in the financial year :</b>				
	<b>Directors / Key Managerial Personnel</b>			% Increase / (Decrease)	
	Mr. Harsh Vardhan Kanoria, Chairman and Managing Director, Chief Executive Officer			(5)	
	Mr. Nawal Kishore Kejriwal, Wholetime Director			(38)	
	Mr. Parag Keshar Bhattacharjee, Independent Director			NIL	
	Mr. Navin Nayar, Independent Director			NIL	
	Mr. Sushil Dhandhanania, Independent Director			NIL	
	Mr. Padam Kumar Khaitan, Independent Director			NIL	
	Mrs. Malati Kanoria, Non Executive Director			#	
	Mr. Deo Kishan Mohta, President (Corporate Affairs) & Secretary, Chief Financial Officer *			(8)	
	Mr. Madhup Kumar Patni, Chief Financial Officer **			(3)	
	Mr. Aditya Banerjee, Company Secretary **			17	
(iii)	<b>The percentage increase in the median remuneration of employees in the financial year:</b>			5	
(iv)	<b>The number of permanent employees on the rolls of company : (as on 31st March, 2015)</b>			4235 employees	
(v)	<b>The explanation on the relationship between average increase in remuneration and company performance :</b>				
	The Company's operating profits were lower by 30%. However, profit after tax increased by 29% mainly due to ad hoc increase in other income as explained in the report. In the wake of difficult market conditions, the average increase in remuneration of all employees after giving effect of changes in dearness allowance and annual increment considering inflation and performance of respective employees was around 2%.				
(vi)	<b>Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company :</b>				
	Aggregate remuneration of all key managerial personnel (KMPs) in FY 2014-15			₹ 286.06	
	Profit before Tax (PBT) in FY 2014-15			₹ 4,231.56	
	Remuneration of KMPs (as % of overall performance of the Company)			6.76	
(vii)	<b>Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer :</b>				
		As at 31st March, 2015	As at 31st March, 2014	Variation	% Variation
	Market Capitalisation	₹ 15,252.54	₹ 14,027.73	₹ 1,224.81	8.73
	Price Earnings Ratio	4.41	5.23	(0.82)	(15.68)
		As at 31st March, 2015	Last IPO on 24th January, 1995	Bonus Issue adjustment ^	% Variation
	Market Price (In ₹)	338.10	70.00	47	624.50
^ Adjusted for 2 : 1 bonus issue in 23rd September, 2006.					

**ANNEXURE V TO THE DIRECTORS' REPORT** (Contd.)

(₹ in Lakhs)

(viii)	<b>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 :</b>		
	The average percentile increase made in the salaries of employees other than the managerial personnel of the Company in the last financial year 2014-15 was around 2% taking into consideration annual increment based on performance of respective employees and impact of dearness allowance for workers. Remuneration to managerial personnel have decreased by around 13% mainly on account of decrease in commission payable to managerial personnel as decided by the Board within the overall ceiling of 10% of the net profit of the Company computed under Section 198 of the Companies Act, 2013.		
(ix)	<b>Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company :</b>		
		Remuneration	Profit Before Tax (PBT)
	Mr. Harsh Vardhan Kanoria, Chairman and Managing Director, Chief Executive Officer	₹ 184.65	₹ 4,231.56
	Mr. Nawal Kishore Kejriwal, Wholetime Director	₹ 40.57	0.96%
	Mr. Deo Kishan Mohta, President (Corporate Affairs) & Secretary, Chief Financial Officer *	₹ 28.76	0.68%
	Mr. Madhup Kumar Patni, Chief Financial Officer **	₹ 20.91	0.50%
	Mr. Aditya Banerjee, Company Secretary **	₹ 11.17	0.26%
(x)	<b>The key parameters for any variable component of remuneration availed by the directors :</b>		
	Commission is the variable component of remuneration availed by the directors. Net profit for the year is the key parameter in determining the amount of commission payable to each director.		
(xi)	<b>The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year :</b>		
	No employee received remuneration in excess of the highest paid director, being the Chairman and Managing Director of the Company.		
(xii)	<b>Affirmation that the remuneration is as per the remuneration policy of the Company :</b>		
	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.		

# Since appointment was made during the year, the information is not comparable.

\* The positions of Company Secretary and Chief Financial Officer were relinquished w.e.f. 9th May, 2014.

\*\* Appointed w.e.f. 9th May, 2014.

**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**

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
Mr. Harsh Vardhan Kanoria	Chairman and Managing Director, Chief Executive Officer	₹ 184.65	Contractual basis	B. Com., 41 Years	1st April, 1981	59	Bengal Tea and Industries Ltd., Wholetime Director (3 Years)	Mrs. Malati Kanoria, Non Executive Director

\* Remuneration includes salary, allowances, Company's contribution to provident fund, commission on net profits, medical insurance premium 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, 19th May, 2015

## ANNEXURE VI TO THE DIRECTORS' REPORT

Form No. MR – 3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[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

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, 2015 ('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, 2015 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 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, 1992;
  - (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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable to the Company during the audit period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the audit period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (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); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the audit period).
- vi) The following laws specifically applicable to the Company in addition to the general laws :-
  - (a) The Jute Manufactures Cess Act, 1983 and the rules made thereunder;
  - (b) Jute & Jute Textile Control Orders issued under Essential Commodities Act, 1955;
  - (c) Indian Boilers Act, 1963 and the rules made thereunder;
  - (d) The Special Economic Zones Act, 2005 and the rules made thereunder.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India as applicable; (Not Applicable to the Company during the audit period);
- ii) The Listing Agreement entered into by the Company with BSE Limited.

**ANNEXURE VI TO THE DIRECTORS' REPORT** (Contd.)

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except intimation of closure of Trading Windows to BSE Limited.

We further report that :

The Board of directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;

Adequate notice 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;

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

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.

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 : 13th May, 2015

**"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 responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For MR & Associates  
Company Secretaries

[M R Goenka]  
Partner

FCS No. : 4515

C P No. : 2551

Place : Kolkata

Date : 13th May, 2015

## 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 which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, Cash Flow Statement for the year ended on that date and a summary of 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, 2015;
- 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.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government under Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order.



**INDEPENDENT AUDITORS' REPORT** (Contd.)

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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) 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 for the year ended 31st March, 2015;
  - (ii) There were no material foreseeable losses on the long term contracts including derivative contracts and as such the Company was not required to make any provision for the same under the applicable law or accounting standards;
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

P-21/22, Radhabazar Street,  
Kolkata - 700 001  
Dated the 19th day of May, 2015

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

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

(₹ in Lakhs)

1. a) The Company has maintained proper records showing full particulars including quantitative details and location of the 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.
2. 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. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of account.
3. 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) are not applicable to the Company.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness was noticed in the internal control system.
5. The company has not accepted any deposits from the public during the year.
6. On the basis of records produced, we are of the opinion that, prima facie, the cost records and accounts 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 accounts and records.
7. 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, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Value Added Tax, Cess and any other statutory dues with the appropriate authorities and there are no undisputed statutory dues outstanding as at 31st March, 2015, 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 to which amount relates	Forum where dispute is pending
Sales Tax Act	Sales Tax	0.22	1993-94	Revision Level
		0.10	2006-07	Revision Level
		0.39	2008-09	Revision Level
		0.18	2010-11	Assessing Officer
		15.88	2011-12	Revision Level
Income Tax Act	Income Tax	59.25	2002-03	Tribunal Level
		120.27	2008-09	Appeal Level
		6.36	2009-10	Tribunal Level
		36.24	2010-11	Appeal Level
		20.38	2011-12	Appeal Level
Wealth Tax Act	Wealth Tax	115.13	2007-08	Appeal Level
		107.62	2008-09	Appeal Level
		<b>TOTAL : 482.02</b>		

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

- c) According to the information and explanations given to us and the records examined by us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Act and the rules made thereunder has been transferred to such fund within time.
8. The Company has not incurred cash loss in the current year and in the immediately preceding financial year and there are no accumulated losses in the Balance Sheet as on 31st March, 2015.
9. Based on the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to any financial institutions or banks.
10. According to the information and explanations received, the Company has not given any guarantees for loans taken by others from bank or financial institutions.
11. According to the information and explanations received, the term loan was applied for the purpose for which the loan was obtained.
12. As per the information and explanations given to us, no fraud on or by the Company has been noticed during the year.

P-21/22, Radhabazar Street,  
Kolkata - 700 001  
Dated the 19th day of May, 2015

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

**BALANCE SHEET AS AT 31ST MARCH, 2015**

(₹ in Lakhs)

Particulars	Note	As at 31st March, 2015	As at 31st March, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	451.48	451.48
Reserves and surplus	3	35,243.36	32,817.67
		35,694.84	33,269.15
<b>Non-current liabilities</b>			
Long-term borrowings	4	-	15.00
Deferred tax liabilities (net)	5	108.11	121.71
Other long-term liabilities	6	10.36	40.87
		118.47	177.58
<b>Current liabilities</b>			
Short-term borrowings	7	1,402.55	1,288.85
Trade payables	8	814.15	923.67
Other current liabilities	9	278.43	232.28
Short-term provisions	10	1,447.79	1,466.92
		3,942.92	3,911.72
<b>TOTAL</b>		39,756.23	37,358.45
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	11	11,101.65	11,564.69
Intangible assets	11	110.13	109.90
Capital work-in-progress		6.17	31.22
		11,217.95	11,705.81
Non-current investments	12	16,863.29	13,336.60
Long-term loans and advances	13	60.98	120.34
Other non-current assets	14	332.59	570.24
		28,474.81	25,732.99
<b>Current assets</b>			
Current investments	15	2,480.65	2,600.00
Inventories	16	4,525.86	4,879.69
Trade receivables	17	2,463.76	2,704.94
Cash and bank balances	18	751.45	815.55
Short-term loans and advances	19	612.77	303.67
Other current assets	20	446.93	321.61
		11,281.42	11,625.46
<b>TOTAL</b>		39,756.23	37,358.45

The accompanying notes 1 to 52 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 : 19th day of May, 2015

CA Madhup Kumar Patni  
Chief Financial Officer  
CS Aditya Banerjee  
Company Secretary

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

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

(₹ in Lakhs)

Particulars	Note	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Revenue from operations (gross)	21	26,846.05	28,004.20
Less : Jute manufacturing cess		146.52	161.07
Revenue from operations (net)		26,699.53	27,843.13
Other income	22	2,166.73	914.91
<b>Total revenue</b>		<b>28,866.26</b>	<b>28,758.04</b>
Expenses :			
Cost of materials consumed	23	13,306.98	13,771.85
Changes in inventories of finished goods and work-in-progress	24	209.26	(639.45)
Employee benefits expenses	25	4,678.41	5,421.41
Finance costs	26	86.72	74.18
Depreciation and amortisation expense	27	648.26	573.04
Other expenses	28	5,802.52	5,832.77
<b>Total expenses</b>		<b>24,732.15</b>	<b>25,033.80</b>
<b>Profit before exceptional item and tax</b>		<b>4,134.11</b>	<b>3,724.24</b>
Exceptional items :			
Indirect taxes for earlier years		-	94.87
Provision against indirect taxes refundable written back		97.45	-
<b>Profit before tax</b>		<b>4,231.56</b>	<b>3,819.11</b>
Tax expenses :			
Current tax		749.00	1,042.00
Tax for earlier years (net)		1.10	9.36
Deferred tax		23.37	87.37
<b>Profit for the year</b>		<b>3,458.09</b>	<b>2,680.38</b>
Earnings per ordinary share (face value of ₹ 10 each)			
Basic & diluted (in ₹)	29	76.65	59.42

The accompanying notes 1 to 52 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 : 19th day of May, 2015

CA Madhup Kumar Patni  
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DIN : 00060314  
Navin Nayar  
Director  
DIN : 00136057

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	4,231.56	3,819.11
Adjustments for :		
Depreciation and amortisation expense	648.26	573.04
Unrealised foreign exchange differences loss	13.47	84.36
Profit on sale of fixed assets (net)	(4.02)	(94.94)
Net gain on sale of investments	(991.33)	(220.26)
Interest income	(473.88)	(398.91)
Dividend income	(561.70)	(3.90)
Diminution in value of current investments	219.35	-
Provision for doubtful receivables	13.30	-
Finance costs	86.72	74.18
Miscellaneous receipts	(4.14)	(4.06)
Operating profit before working capital changes	3,177.59	3,828.62
Adjustments for :		
Trade receivables	205.24	(514.60)
Loans and advances and other assets	(412.30)	66.37
Inventories	353.83	(528.76)
Trade payables, other liabilities and provisions	(291.43)	(377.09)
Cash generated from operations	3,032.93	2,474.54
Direct taxes paid (net of refund)	(712.00)	(1,046.00)
Net cash from operating activities	2,320.93	1,428.54
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets (including changes in capital work-in-progress/advances)	(262.54)	(825.84)
Capital subsidy received	-	53.55
Sale of fixed assets	18.68	107.18
Purchase of investments	(9,850.35)	(8,952.77)
Sale of investments	7,214.99	8,300.62
Decrease in fixed deposits with a maturity more than 90 days	0.31	24.37
Miscellaneous receipts	3.87	3.80
Interest received	813.29	382.11
Dividend received	545.89	3.90
Net cash used in investing activities	(1,515.86)	(903.08)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long-term borrowings	(15.00)	(20.00)
Increase in short term borrowings	113.70	228.59
Dividend paid	(676.69)	(676.69)
Dividend distribution tax paid	(115.00)	(115.00)
Finance costs	(81.59)	(74.45)
Net cash used in financing activities	(774.58)	(657.55)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	30.49	(132.09)
Cash and cash equivalents (opening balance)	550.11	683.12
Effect of exchange rate changes on cash and cash equivalents	(0.37)	(0.92)
Cash and cash equivalents (closing balance)	580.23	550.11

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015** (Contd.)

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>Notes to the Cash Flow Statement</b>		
1. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash on hand	7.25	8.08
Balances with banks		
- in current accounts	572.98	542.03
Cash and cash equivalents (closing balance)	580.23	550.11
Add: Fixed deposit account with maturity of over 90 days	100.00	-
Add: Restricted cash		
Fixed deposit accounts (under lien)	0.89	202.64
Fractional bonus share account	0.44	0.44
Unpaid dividend accounts	69.89	62.36
Cash and bank balances (closing balance)	751.45	815.55
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 52 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 : 19th day of May, 2015

CA Madhup Kumar Patni  
Chief Financial Officer  
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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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### a. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared under the historical cost convention, except for certain fixed assets which have 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. Fixed assets, other than those revalued, are stated at cost/book value less capital subsidy, accumulated depreciation/amortisation and impairment losses, if any.
- ii. Cost comprises purchase price, non refundable taxes, duties, freight and incidental expenses 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 fixed assets for the period up to commencement of commercial production/assets put into use.
- iii. Intangible assets comprise of software, expected to provide future enduring economic benefits are stated at cost less accumulated amortisation. Cost comprises purchase price and directly attributable expenditure on making the asset ready for its intended use.
- iv. In respect of revalued assets, the difference between written down value of the assets as on the date of revaluation and the then replacement value is transferred to revaluation reserve.

#### c. DEPRECIATION AND AMORTISATION

Depreciation/amortisation on the Company's fixed assets has been charged on the following basis:

- i. 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.
- ii. 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.
- iii. Cost of leasehold land is being amortised over the period of lease.
- iv. Depreciation / impact of disposal on revalued portion is transferred from revaluation reserve to general reserve at year end.
- v. Software is being amortised over a period of ten years under straight line method.
- vi. Depreciation on amounts capitalised on account of foreign exchange fluctuation is provided prospectively over the residual life of the assets.

#### d. 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.

#### e. 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).

#### f. 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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

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 resulting loss, if any, is charged to the Statement of Profit and loss. Gain, if any, on such mark to market is not recognised as a prudent accounting policy.

### g. 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.

### h. 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.

### i. 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.

### j. 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.

### k. 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.

### l. 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Revenue grants related to export incentives are shown under the head of other operating revenue and other grants are deducted from the related expense.

### 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 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, 2015		As at 31st March, 2014	
<b>2. SHARE CAPITAL</b>				
<b>Authorised</b>				
70,00,000 (Previous year 70,00,000) Ordinary shares of ₹ 10/- each	700.00		700.00	
<b>Issued and Subscribed</b>				
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	
<b>Reconciliation of Number of Shares</b>				
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.				
<b>Terms / Rights attached to Ordinary shares</b>				
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.				
	As at 31st March, 2015		As at 31st March, 2014	
	Numbers	%	Numbers	%
<b>List of shareholders holding more than 5% shares of total number of Shares issued by the Company :</b>				
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, 2015

(₹ in Lakhs)

	As at 31st March, 2015	As at 31st March, 2014
<b>3. RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
As per last Balance Sheet	0.24	0.24
<b>Capital Redemption Reserve</b>		
As per last Balance Sheet	9.92	9.92
<b>Securities Premium Account</b>		
As per last Balance Sheet	1,242.50	1,242.50
<b>Revaluation Reserve</b>		
As per last Balance Sheet	6,752.99	6,786.78
Less : Transfer to general reserve on account of depreciation adjustment (Refer Note 30 )	(37.57)	-
Less : Transfer to general reserve towards current year depreciation	(17.47)	-
Less : Transfer to general reserve on disposal of fixed assets	(0.26)	-
Less : Transfer to Statement of Profit and Loss towards depreciation	-	(29.95)
Less : Withdrawal on disposal of fixed assets	-	(3.84)
	6,697.69	6,752.99
<b>Special Economic Zone Re-investment Reserve Account</b> (for claiming deduction u/s 10AA of the Income Tax Act, 1961)		
As per last Balance Sheet	544.94	400.00
Add : Transfer from surplus out of profit for the year	350.00	200.00
	894.94	600.00
Less : Utilised during the year transfer to general reserve	192.81	55.06
	702.13	544.94
<b>General Reserve</b>		
As per last Balance Sheet	23,767.06	22,062.00
Less : Depreciation adjustment for change in useful lives (net of deferred tax ₹ 36.97) (Refer Note 30)	109.36	-
	23,657.70	22,062.00
Add: Transfer from surplus	2,150.00	1,650.00
Add : Transfer from special economic zone re-investment reserve account	192.81	55.06
Add: Transfer from revaluation reserve	55.30	-
	26,055.81	23,767.06
<b>Surplus</b>		
As per last Balance Sheet	500.02	461.33
Add : Profit for the year	3,458.09	2,680.38
	3,958.11	3,141.71
Less : Appropriations		
Proposed dividend	766.91	676.69
Tax on proposed dividend	156.13	115.00
Transfer to general reserve	2,150.00	1,650.00
Transfer to special economic zone re-investment reserve account	350.00	200.00
	535.07	500.02
	35,243.36	32,817.67

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lakhs)

	As at 31st March, 2015	As at 31st March, 2014
<b>4. LONG - TERM BORROWINGS</b>		
Term loan (secured)		
From Export Import Bank of India	-	15.00
	-	15.00

Secured by hypothecation of all movable fixed assets on first charge basis and all current assets on second charge basis and by mortgage of all immovable properties both present and future by deposit of title deeds on first charge basis.

Current maturities of long-term loan amounting to ₹ 20.00 (Previous year ₹ 20.00) are disclosed under 'other current liabilities' - (Refer Note 9).

Outstanding amount in current maturities is repayable in 4 equal quarterly instalments of ₹ 5.00 each from the reporting date, by January, 2016.

<b>5. DEFERRED TAX LIABILITIES (NET)</b>		
Deferred tax liabilities :		
Related to fixed assets	232.77	269.19
Deferred tax assets :		
Disallowances under the Income Tax Act, 1961	124.66	147.48
Net deferred tax liabilities	108.11	121.71

<b>6. OTHER LONG - TERM LIABILITIES</b>		
Trade payables	2.79	33.07
Security deposits	7.57	7.80
	10.36	40.87

<b>7. SHORT - TERM BORROWINGS</b>		
Working capital loan (secured)		
From State Bank of India :		
- Cash credit account	1,402.55	1,288.85
	1,402.55	1,288.85

Secured by hypothecation of stocks, book debts and certain other assets on first charge basis and by mortgage of all immovable properties both present and future by deposit of title deeds, subject to prior charge created in favour of Export Import Bank of India.

<b>8. TRADE PAYABLES</b>		
Trade payables	814.15	923.67
	814.15	923.67

<b>9. OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term debt (Refer Note 4)	20.00	20.00
Interest accrued but not due on borrowings	0.20	0.14
Unpaid dividends*	69.89	62.36
Fractional bonus share proceeds unclaimed	0.44	0.44
Advance from customers	21.75	0.60
Creditors for capital expenditure	-	5.85
Statutory dues	156.98	130.77
Security deposits	9.17	12.12
	278.43	232.28

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lakhs)

	As at 31st March, 2015	As at 31st March, 2014
<b>10. SHORT - TERM PROVISIONS</b>		
Employee benefits (Refer Note 46)		
Unencashed leave	261.83	251.68
Gratuity	-	199.79
Others		
Income and wealth tax (net of advance tax)	76.80	37.64
Proposed dividend	766.91	676.69
Tax on proposed dividend	156.13	115.00
Contingencies (Refer Note 49)	186.12	186.12
	<b>1,447.79</b>	<b>1,466.92</b>

<b>11. FIXED ASSETS</b>											
PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTISATION					NET BLOCK	
	Estimated Cost / Revalua- tion and / or Book Value as at 31st March, 2014	Additions during the Year	Deductions/ Adjustments during the year	Estimated Cost / Revalua- tion and / or Book Value as at 31st March, 2015	Upto 31st March, 2014	Adjusted with general reserve (Refer Note 30)	For the Year	Dedu- tions	Upto 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
<b>Tangible Assets</b>											
Freehold land	6,257.10	-	-	6,257.10	-	-	-	-	-	6,257.10	6,257.10
Leasehold land	23.16	-	-	23.16	3.62	-	0.24	-	3.86	19.30	19.54
Buildings	7,589.66	12.27	-	7,601.93	4,246.05	77.82	124.94	-	4,448.81	3,153.12	3,343.61
Plant and equipment	10,635.65	290.80	24.20	10,902.25	9,149.79	11.40	367.45	13.62	9,515.02	1,387.23	1,485.86
Electrical installations and equipment	1,412.68	1.16	21.91	1,391.93	1,186.48	39.77	58.77	19.03	1,265.99	125.94	226.20
Furniture and fixtures	338.35	0.38	-	338.73	249.22	3.67	28.47	-	281.36	57.37	89.13
Vehicles	153.61	24.32	36.25	141.68	63.56	-	28.51	24.97	67.10	74.58	90.05
Office equipment	301.89	15.09	6.81	310.17	248.69	13.67	27.37	6.57	283.16	27.01	53.20
	26,712.10	344.02	89.17	26,966.95	15,147.41	146.33	635.75	64.19	15,865.30	11,101.65	11,564.69
<b>Intangible Assets</b>											
Specialised software - others (Other than internally generated)	153.34	12.74	-	166.08	43.44	-	12.51	-	55.95	110.13	109.90
<b>Total</b>	<b>26,865.44</b>	<b>356.76</b>	<b>89.17</b>	<b>27,133.03</b>	<b>15,190.85</b>	<b>146.33</b>	<b>648.26</b>	<b>64.19</b>	<b>15,921.25</b>	<b>11,211.78</b>	<b>11,674.59</b>
Previous Year	26,316.51	815.98	267.05	26,865.44	14,798.95	-	602.99	211.09	15,190.85	11,674.59	

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lakhs)

	Face Value per share/ unit (₹)	As at 31st March, 2015		As at 31st March, 2014	
		Shares / Units	Amount	Shares / Units	Amount
<b>12. NON - CURRENT INVESTMENTS</b>					
<b>Long Term Investments - At cost</b>					
<b>A. Non Trade Investments (Quoted)</b>					
<b>(a) Investments in Equity Instruments - Fully paid-up</b>					
Infosys Limited	5	5,000	103.87	-	-
Reliance Communications Limited	5	38,000	122.71	54,000	174.37
Reliance Infrastructure Limited	10	10,000	155.16	18,000	279.29
<b>(b) Investments in Preference Share - Fully paid-up</b>					
Zee Entertainment Limited					
6.00% Non-Convertible Bonus Preference Shares	1	2,50,00,000	196.01	-	-
<b>(c) Investments in Debentures or Bonds - Fully paid-up</b>					
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 Infoline Finance Limited					
Nifty Linked Debentures 04-JUL-2016	1,00,000	160	203.36	-	-
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					
6.30% Tax Free Bonds, Series 68 A, 08-MAR-2017	1,00,000	100	100.00	100	100.00
6.70% Tax Free Bonds, Series 68 B, 08-MAR-2020	1,00,000	300	302.80	300	302.80
6.32% Tax Free Bonds, Series 73 A, 20-DEC-2017	1,00,000	200	200.00	200	200.00
6.72% Tax Free Bonds, Series 73 B, 20-DEC-2020	1,00,000	200	200.00	200	200.00
Indian Renewable Energy Development Agency Limited					
8.55% Tax Free Bonds, Tranche I, Series IIIA, 13-MAR-2034	1,000	40,000	400.00	40,000	400.00
L&T Finance Limited					
9.95% Non-convertible, Cumulative debentures, Option III, 17-JAN-2017	1,000	-	-	56,212	562.12
National Bank for Agriculture and Rural Development					
Zero Coupon Bonds, Series BNB JAN 2019	20,000	5,575	559.99	11,000	1,104.94
Zero Coupon Bonds, Series BNB FEB 2019	20,000	-	-	3,250	297.86
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
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
Power Finance Corporation Limited					
8.16% Tax Free Bonds, Series 80 B, 25-NOV-2026	1,00,000	400	400.00	400	400.00
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 ...			6,312.40		7,389.88

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lakhs)

	Face Value per share/ unit (₹)	As at 31st March, 2015		As at 31st March, 2014	
		Shares / Units	Amount	Shares / Units	Amount
Brought Forward ...			6,312.40		7,389.88
State Bank of India 9.50% Reset rate, Lower Tier II Bonds, (Series 2), 04-NOV-2025	10,000	-	-	420	42.00
Trent Limited Zero Coupon Bonds, Series B, 30-JUN-2017	10,00,000	-	-	10	100.94
<b>(d) Investments in Mutual Funds</b>					
Birla Sun Life Mutual Fund					
Birla Sun Life Fixed Term Plan - Series EN - Growth	10	20,00,000.000	200.00	20,00,000.000	200.00
Birla Sun Life Fixed Term Plan - Series FE - Growth	10	-	- *	20,00,000.000	200.00
Goldman Sachs Mutual Fund					
Goldman Sachs Nifty Exchange Traded Scheme	10	72,000.000	500.15	28,000.000	153.46
Goldman Sachs CPSE Exchange Traded Scheme	10	3,85,000.000	100.42	-	-
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
ICICI Prudential Mutual Fund					
ICICI Prudential FMP Series 63 - 3 years Plan H Cumulative	10	-	- *	20,00,000.000	200.00
ICICI Prudential FMP Series 63 - 3 years Plan M Cumulative	10	-	- *	50,00,000.000	500.00
ICICI Prudential FMP Series 69 - 1821 Days Plan I Regular Plan Cumulative	10	50,00,000.000	500.00	50,00,000.000	500.00
L&T Mutual Fund					
L&T FMP - VII (April 1124D A) [Previous year (March753D A)] - Growth	10	50,00,000.000	500.00	50,00,000.000	500.00
Reliance Mutual Fund					
Reliance Fixed Horizon Fund - XXIII - Series 8 - Direct Growth Plan	10	50,00,000.000	500.00	50,00,000.000	500.00
Reliance Fixed Horizon Fund - XXIV - Series 2 - Growth Plan	10	50,00,000.000	500.00	50,00,000.000	500.00
Reliance Capital Builder Fund II - Series A - Dividend Plan - Dividend Payout	10	30,00,000.000	300.00	-	-
Reliance Fixed Horizon Fund - XXVIII - Series 14 - Growth Plan	10	30,00,000.000	300.00	-	-
UTI Mutual Fund					
UTI - NIFTY Index Fund - Dividend Payout	10	-	- #	21,28,795.984	350.00
<b>B. Non Trade Investments (Unquoted)</b>					
<b>(a) Investments in Equity Instruments - Fully paid-up</b>					
Cheviot International Limited	10	20	-	20	-
Woodlands Multispeciality Hospital Limited	10	3,190	0.32	3,190	0.32
<b>(b) Investments in Mutual Funds</b>					
Birla Sun Life Mutual Fund					
Birla Sun Life India Reforms Fund - Dividend - Regular Plan - Payout	10	52,38,459.369	700.00	-	-
Birla Sun Life Frontline Equity Fund - Dividend - Regular Plan - Payout	10	9,71,188.087	300.00	-	-
HDFC Mutual Fund					
HDFC Equity Fund - Dividend - Payout	10	26,47,605.736	1,500.00	-	-
HDFC Mid-Cap Opportunities Fund - Dividend - Payout	10	30,40,334.753	800.00	-	-
HDFC Gilt Fund Long Term - Growth	10	7,03,687.675	200.00	-	-
Carried Over ...			13,713.29		11,636.60

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lakhs)

	Face Value per share/unit (₹)	As at 31st March, 2015		As at 31st March, 2014	
		Shares / Units	Amount	Shares / Units	Amount
Brought Forward ...			13,713.29		11,636.60
ICICI Prudential Mutual Fund					
ICICI Prudential Gilt Fund Investment Plan PF - Option Regular Plan	10	7,28,175.665	200.00	21,59,081.095	500.00
ICICI Prudential Value Discovery Fund - Regular Plan - Dividend Payout	10	3,48,675.035	100.00	-	-
IDFC Mutual Fund					
IDFC Super Saver Income Fund - Short Term Plan - Growth - (Regular Plan)	10	-	-	9,06,792.501	200.00
IDFC Super Saver Income Fund - Investment Plan - Growth - (Direct Plan)	10	-	-	17,68,021.443	500.00
IDFC Arbitrage Plus Fund- Direct Plan -Dividend - Payout	10	41,39,685.008	500.00	-	-
JM Financial Mutual Fund					
JM Arbitrage Advantage Fund- Bonus option - Principal & Bonus units	10	20,06,505.698	200.00	-	-
J.P.Morgan Mutual Fund					
JPMorgan India Active Bond Fund - Institutional Plan - Growth Option	10	49,67,808.600	500.00	49,67,808.600	500.00
JPMorgan India Government Securities Fund - Regular Plan - Growth Option	10	44,33,803.316	500.00	-	-
Reliance Mutual Fund					
Reliance Equity Opportunities Fund - Dividend Plan - Dividend Payout	10	20,33,713.943	700.00	-	-
SBI Mutual Fund					
SBI PSU Fund - Regular Plan- Dividend Payout	10	9,91,099.923	100.00	-	-
UTI Mutual Fund					
UTI - NIFTY Index Fund - Dividend Payout	10	21,28,795.984	350.00 #	-	-
<b>Total Non-Current Investments</b>			<b>16,863.29</b>		<b>13,336.60</b>
Aggregate Book value of Quoted Investments			10,212.97		11,636.28
Market value of Quoted Investments			11,435.75		12,265.74
Aggregate Book value of Unquoted Investments			6,650.32		1,700.32

\* Current year 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.

# Current year transfer from quoted to unquoted.

	As at 31st March, 2015	As at 31st March, 2014
<b>13. LONG - TERM LOANS AND ADVANCES</b>		
(unsecured, considered good)		
Capital advances	7.51	67.85
Security deposits	34.12	34.26
Prepaid expenses	5.84	6.52
Advance to employees	13.51	11.71
	<b>60.98</b>	<b>120.34</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lakhs)

	As at 31st March, 2015	As at 31st March, 2014
<b>14. OTHER NON - CURRENT ASSETS</b>		
Fixed deposit accounts with bank (maturity over 12 months) *	300.60	199.16
Interest accrued on investments and fixed deposits	0.39	338.85
Indirect taxes refundable [net of provision ₹ 7.48 (Previous year ₹ 105.16)]	25.83	26.46
Advance payment of tax and refund due	5.77	5.77
	<b>332.59</b>	<b>570.24</b>

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

	Face Value per unit (₹)	As at 31st March, 2015		As at 31st March, 2014	
		Units	Amount	Units	Amount
<b>15. CURRENT INVESTMENTS</b>					
<b>A. Current maturities of Long-Term Investments (At cost)</b>					
<b>Investments in Mutual Funds (Quoted)</b>					
Birla Sun Life Mutual Fund					
Birla Sun Life Fixed Term Plan - Series ED - Growth	10	-	-	20,00,000.000	200.00
Birla Sun Life Fixed Term Plan - Series GR (399 days) - Growth Direct	10	-	-	50,00,000.000	500.00
Birla Sun Life Fixed Term Plan - Series FE - Growth	10	20,00,000.000	200.00 *	-	-
Deutsche Mutual Fund					
DWS Fixed Maturity Plan - Series 4 - Growth Plan	10	-	-	20,00,000.000	200.00
HDFC Mutual Fund					
HDFC FMP 36M October 2011 (1) Growth - Series-XIX	10	-	-	20,00,000.000	200.00
HDFC FMP 36M November 2011 (1) Growth - Series-XIX	10	-	-	20,00,000.000	200.00
HDFC FMP 24M April 2012 (1) Growth - Series-XX	10	-	-	20,00,000.000	200.00
ICICI Prudential Mutual Fund					
ICICI Prudential FMP Series 57 - 3 years Plan B Cumulative	10	-	-	20,00,000.000	200.00
ICICI Prudential FMP Series 60 - 3 years Plan E Cumulative	10	-	-	20,00,000.000	200.00
ICICI Prudential FMP Series 63 - 3 years Plan H Cumulative	10	20,00,000.000	200.00 *	-	-
ICICI Prudential FMP Series 63 - 3 years Plan M Cumulative	10	50,00,000.000	500.00 *	-	-
Reliance Mutual Fund					
Reliance Fixed Horizon Fund - XXII - Series 33 - Growth Plan	10	-	-	50,00,000.000	500.00
<b>Total current maturities of Long-Term Investments</b>			<b>900.00</b>		<b>2,400.00</b>
<b>B. Other Current Investments (At lower of cost and fair value)</b>					
<b>Investments in Mutual Funds (Unquoted)</b>					
Birla Sun Life Mutual Fund					
Birla Sun Life Cash Plus - Growth - Direct Plan	100	4,45,875.662	1,000.00	97,324.596	200.00
BOI AXA Mutual Fund					
BOI AXA Equity Fund - Regular Plan - Quarterly Dividend - Payout	10	11,67,542.323	130.06	-	-
ICICI Prudential Mutual Fund					
ICICI Prudential Equity Arbitrage Fund- Regular Plan - Dividend Payout	10	14,46,842.989	199.19	-	-
Carried Over ...			<b>1,329.25</b>		<b>200.00</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lakhs)

	Face Value per unit (₹)	As at 31st March, 2015		As at 31st March, 2014	
		Units	Amount	Units	Amount
Brought Forward ...			1,329.25		200.00
JM Financial Mutual Fund					
JM Balanced Fund - Dividend option - Payout	10	7,88,948.411	104.57	-	-
Sundaram Mutual Fund					
Sundaram Growth Fund -Regular Plan - Dividend Payout	10	12,63,152.576	146.83	-	-
<b>Total Other Current Investments</b>			1,580.65		200.00
<b>Total Current Investments</b>			2,480.65		2,600.00
Aggregate Book value of Quoted Investments			900.00		2,400.00
Market value of Quoted Investments			1,144.33		2,825.65
Aggregate Book value of Unquoted Investments			1,580.65		200.00

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

	As at 31st March, 2015	As at 31st March, 2014
<b>16. INVENTORIES</b>		
Raw materials	2,714.79	2,795.30
Work-in-progress	392.00	432.03
Finished goods [includes in transit ₹ 229.03 (Previous year ₹ Nil)]	1,180.52	1,349.75
Stores and spares	237.92	301.81
Loose tools	0.63	0.80
	<b>4,525.86</b>	<b>4,879.69</b>

	As at 31st March, 2015	As at 31st March, 2014
<b>17. TRADE RECEIVABLES</b>		
(unsecured, considered good, unless otherwise stated)		
Outstanding for a period exceeding six months	1.36	-
Other receivables :		
Considered good	2,462.40	2,704.94
Doubtful	13.30	-
Less : Provision for doubtful receivables	(13.30)	-
	<b>2,463.76</b>	<b>2,704.94</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lakhs)

	As at 31st March, 2015	As at 31st March, 2014
<b>18. CASH AND BANK BALANCES</b>		
Cash and cash equivalents		
Cash on hand	7.25	8.08
Balances with banks in current accounts	572.98	542.03
	580.23	550.11
Other bank balances		
Fixed deposit accounts *	100.89	202.64
Fractional bonus share account	0.44	0.44
Unpaid dividend accounts	69.89	62.36
	171.22	265.44
	751.45	815.55

\* Under lien ₹ 0.89 (Previous year ₹ 202.64) towards margin money and / or security against borrowings.  
Fixed deposit accounts with maturity of more than 12 months amounting to ₹ 300.60 (Previous year ₹ 199.16) being non-current has been shown under the head other non-current assets (refer Note 14).

<b>19. SHORT - TERM LOANS AND ADVANCES</b>		
(unsecured, considered good)		
Balances with customs, excise etc.	—	0.04
Excise duty paid under protest *	110.73	110.73
Education and higher education cess on export sales paid under protest	—	2.27
Advance gratuity funding (Refer Note 46)	312.63	—
Prepaid expenses	109.28	127.17
Others **	80.13	63.46
	612.77	303.67

\* 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.

<b>20. OTHER CURRENT ASSETS</b>		
Interest accrued on investments and fixed deposits	95.65	100.54
Government grants receivable	218.53	210.50
Indirect taxes refundable	103.33	6.29
Other receivables *	29.42	4.28
	446.93	321.61

\* Includes primarily amount receivable against dividend, insurance claim, statutory dues.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lakhs)

	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
<b>21. REVENUE FROM OPERATIONS</b>		
Sale of products (Jute goods)	26,496.62	27,639.78
Other operating revenues	349.43	364.42
<b>Revenue from operations (gross)</b>	<b>26,846.05</b>	<b>28,004.20</b>
Less : Jute manufacturing cess	146.52	161.07
<b>Revenue from operations (net)</b>	<b>26,699.53</b>	<b>27,843.13</b>

<b>22. OTHER INCOME</b>		
Interest income		
On long-term investments	434.73	340.65
On fixed deposits	37.18	38.30
Others	1.97	19.96
	<b>473.88</b>	<b>398.91</b>
Dividend income		
On long-term investments	324.25	3.90
On current investments	237.45	–
	<b>561.70</b>	<b>3.90</b>
Net gain on sale of investments		
On long-term investments	951.72	144.40
On current investments	39.61	75.86
	<b>991.33</b>	<b>220.26</b>
Exchange differences (net)	121.74	165.07
Other non-operating income	18.08	126.77
	<b>2,166.73</b>	<b>914.91</b>

<b>23. COST OF MATERIALS CONSUMED</b>		
Raw Jute	12,016.66	12,978.22
Jute Yarn	1,288.15	757.88
Others	2.17	35.75
	<b>13,306.98</b>	<b>13,771.85</b>

<b>24. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</b>		
<b>Closing stock</b>		
Finished goods	1,180.52	1,349.75
Work-in-progress	392.00	432.03
	<b>1,572.52</b>	<b>1,781.78</b>
<b>Opening stock</b>		
Finished goods	1,349.75	780.68
Work-in-progress	432.03	361.65
	<b>1,781.78</b>	<b>1,142.33</b>
	<b>209.26</b>	<b>(639.45)</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lakhs)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>25. EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, wages, bonus etc.	4,091.83	4,866.65
Contribution to provident and other funds	513.62	482.21
Staff welfare expenses	72.96	72.55
	<b>4,678.41</b>	<b>5,421.41</b>
<b>26. FINANCE COSTS</b>		
Interest expenses	76.69	66.69
Other borrowing costs	10.03	7.49
	<b>86.72</b>	<b>74.18</b>
<b>27. DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation and amortisation (Refer Note 11)	648.26	602.99
Less: Transferred from revaluation reserve	-	29.95
	<b>648.26</b>	<b>573.04</b>
<b>28. OTHER EXPENSES</b>		
Consumption of stores and spare parts (Refer Note 36)	1,572.40	1,761.45
Power and fuel	1,651.77	1,660.98
Processing charges	197.80	297.61
Rent	42.14	44.66
Rates and taxes	20.02	21.11
Repairs to buildings	145.30	199.67
Repairs to machinery	108.89	98.41
Repairs to others	327.43	103.14
Insurance	72.59	70.17
Donation	-	301.00
Expenditure towards CSR (Refer Note 37)	75.00	-
Delivery charges	834.33	815.62
Jute manufacturing cess (Refer Note 38)	118.47	117.09
Miscellaneous expenses	396.50	334.47
Diminution in value of current investments	219.35	-
Provision for doubtful receivables	13.30	-
Payment to auditors		
Audit fees	3.93	3.93
For company law matters	-	0.17
For other services	3.01	3.01
For reimbursement of expenses	0.29	0.28
	<b>5,802.52</b>	<b>5,832.77</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lakhs)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>29. EARNINGS PER SHARE IN ACCORDANCE WITH ACCOUNTING STANDARD (AS) - 20</b>		
Net Profit after tax as per Statement of Profit and Loss	3,458.09	2,680.38
Weighted average number of ordinary shares	45,11,250	45,11,250
Basic and diluted earnings per ordinary share (in ₹)	76.65	59.42
Face value per ordinary share (in ₹)	10.00	10.00

30. Effective 1st April 2014, depreciation has been calculated in accordance with Schedule II of the Companies Act, 2013, considering the useful life of respective assets as specified therein, the effect of which is as follows :
- Depreciation for the year is higher and the profit before tax is lower by ₹ 73.74;
  - On account of transitional provisions of the said Schedule II, a sum of ₹ 109.36 (net of deferred tax of ₹ 36.97) has been recognised in the general reserve in respect of fixed assets whose balance useful life as on 1st April, 2014 is Nil. Correspondingly, an amount of ₹ 37.57 has been transferred from revaluation reserve to general reserve, on account of difference of written down values between the substituted cost and actual cost of the revalued assets.
31. Based on the valuation report by a Chartered Engineer, an external valuer, certain fixed assets of the Company were revalued, on appraisal method as follows :
- Freehold land was revalued in the years ended 31st March, 1997, 31st March, 2003 and 31st March, 2008 with last revalued amount at ₹ 6,257.10;
  - Buildings were revalued in the years ended 31st March, 1997 and 31st March, 2003 with last revalued amount at ₹ 4,165.09;
  - Plant & equipment and electrical installations were revalued in the years ended 31st March, 1998 and 31st March, 2003 with last revalued amount at ₹ 7,083.95 and ₹ 415.93 respectively.
32. Capital commitments not provided for at the date of this balance sheet are estimated at ₹ 10.30 (Previous year ₹ 109.89) after netting of advances paid.
33. Specialised software comprising of Oracle ERP Software, considered material, has a carrying amount of ₹ 81.19 (Previous year ₹ 90.29), as on 31st March, 2015, to be amortised over the remaining period of eight years and eleven months.
34. 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 ₹ Nil (Previous year ₹ Nil). Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.
35. Due to insolvency of a party, appearing under trade receivable, claim has been lodged with the official administrator, appointed by the court, for outstanding amount of Euro 100612.56 and for related expenses incurred. In view of buyer exposure policy taken by the Company, 80% of receivable is recoverable from Export Credit Guarantee Corporation of India Limited, for which claim has also been lodged. Accordingly, provision for doubtful receivables, has been made in respect of 20% of the outstanding amount as on 31st March, 2015.
36. Total stores and spare parts consumed during the year are ₹ 1,869.21 (Previous year ₹ 2,025.56) and include ₹ 296.81 (Previous year ₹ 264.11) debited to relevant expense heads.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

(₹ in Lakhs)

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 ₹ 74.64.
  - Amount spent during the year is ₹ 75.00, which includes an amount of ₹ 65.00 contributed to Jan Priya Trust, a registered Trust, an associate of the Company.
38. Jute manufacturing cess, debited under other expenses in Note 28, includes (decrease)/increase in cess, on account of difference between the closing stock and opening stock of finished goods amounting to (₹ 3.24) (previous year ₹ 5.69).
39. Derivative instruments and unhedged foreign currency exposure :
- The Company uses forward exchange contracts to hedge its exposures in foreign currency. Forward exchange contracts for trade receivables outstanding as at balance sheet date is ₹ 72.97 (Previous year ₹ Nil);
  - Forward cover for firm commitment in respect of future sales against export order as at balance sheet date is ₹ 148.39 (Previous year ₹ Nil). The mark to market gain thereon amounting to ₹ 26.08 (Previous year ₹ Nil) has not been accounted for due to prudent accounting policy;
  - Foreign currency exposure (net) at year end that are not hedged by derivative instruments or otherwise is ₹ 1,215.24 (Previous year ₹ 2,212.60).

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>40. VALUE OF IMPORTS ON CIF BASIS</b>		
Raw materials	1,955.48	2,371.27
Components and spare parts	137.53	98.30
Capital goods	31.06	318.28
	<b>2,124.07</b>	<b>2,787.85</b>

<b>41. EXPENDITURE IN FOREIGN CURRENCY</b>		
Travelling	22.80	15.71
Delivery charges	81.78	136.39
Others	21.55	13.76
	<b>126.13</b>	<b>165.86</b>

<b>42. EARNINGS IN FOREIGN EXCHANGE</b>		
F.O.B. value of exports	11,312.46	11,147.87
F.O.B. value of machinery sold	–	101.54
	<b>11,312.46</b>	<b>11,249.41</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lakhs)

	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
	Value	%	Value	%
<b>43. VALUE OF RAW MATERIALS, SPARE PARTS AND COMPONENTS CONSUMED</b>				
<b>Raw materials</b>				
Imported	1,995.10	14.99	2,796.51	20.31
Indigenous	11,311.88	85.01	10,975.34	79.69
	<b>13,306.98</b>	<b>100.00</b>	<b>13,771.85</b>	<b>100.00</b>
<b>Spare parts and components</b>				
Imported	139.06	7.44	101.83	5.03
Indigenous	1,730.15	92.56	1,923.73	94.97
	<b>1,869.21</b>	<b>100.00</b>	<b>2,025.56</b>	<b>100.00</b>

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>44. PARTICULARS RELATING TO DIVIDEND PAID TO NON-RESIDENT SHAREHOLDERS</b>		
Number of non-resident shareholders	90	99
Number of shares held by them	62,543	64,032
Dividend relating to the year	2013-14	2012-13
Amount of dividend (₹)	9.38	9.60
Amount remitted in foreign currency (₹)	–	–

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

Government grants received by the Company comprise of capital incentive of ₹ 10.31 (Previous year ₹ 39.89), export incentives of ₹ 303.03 (Previous year ₹ 307.03) and other revenue grants of ₹ 2.88 (Previous year ₹ 53.79).

**46. EMPLOYEE BENEFITS DISCLOSURES IN ACCORDANCE WITH AS-15 (REVISED)****i. Defined Contribution Plans**

The Company has during the year recognised an expense of ₹ 513.62 (Previous year ₹ 482.21) towards defined contribution plans.

Out of the total contribution, made for employees' provident fund, a sum of ₹ 74.60 (Previous year ₹ 68.93) has been made to Cheviot Company Limited Employees' Provident Fund while the remaining contribution has been made to the provident fund plan operated by the Regional Provident Fund Commissioner. Further, considering the past track and fair value of the plan assets of the Trust, the Company does not envisage any shortfall in liability towards the interest payable by the Trust at the notified interest rate.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

## ii. Defined Benefit Plans

(₹ in Lakhs)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
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	2,862.02	2,736.28
Current service cost	202.28	195.01
Interest cost	211.19	251.92
Benefits paid	(519.19)	(313.62)
Actuarial gain	(338.61)	(7.57)
Present value of obligation, at the end of the year	2,417.69	2,862.02
b. Change in fair value of plan assets :		
Plan assets at the beginning of the year	2,662.23	2,379.29
Expected return on plan assets	215.70	226.87
Contributions by the employer	199.79	426.99
Actuarial gain/(loss)	171.79	(57.30)
Benefits paid	(519.19)	(313.62)
Plan assets at the end of the year	2,730.32	2,662.23
c. Amount recognised in Balance Sheet :		
Present value of defined benefit obligation	2,417.69	2,862.02
Fair value of plan assets	2,730.32	2,662.23
Net asset/(liability) recognised in Balance Sheet	312.63	(199.79)
d. Expenses recognised in the Statement of Profit and Loss :		
Current service cost	202.28	195.01
Interest cost	211.19	251.92
Expected return on plan assets	(215.70)	(226.87)
Net actuarial (gain)/loss	(510.40)	49.73
Total expenses	(312.63)	269.79
e. Constitution of plan assets as a percentage of total plan assets :		
Government of India / Government of India guaranteed securities and units of Gilt mutual funds	21.30%	22.41%
State Government / State Government guaranteed securities	35.03%	34.33%
Bonds	37.62%	35.19%
Units of money market mutual fund	0.45%	0.78%
Units of equity linked scheme of mutual fund	1.18%	3.54%
Cash at bank and receivables (net)	4.42%	3.75%
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.		

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lakhs)

## f. Experience Adjustments :

	2015	2014	2013	2012	2011
1. Defined benefit obligation	2,417.69	2,862.02	2,736.28	2,352.72	2,227.48
2. Plan assets	2,730.32	2,662.23	2,379.29	2,000.83	1,730.42
3. Surplus/(Deficit)	312.63	(199.79)	(356.99)	(351.89)	(497.06)
4. Experience adjustments (gain)/loss on plan liabilities	46.21	(66.55)	420.66	(4.46)	494.08
5. Experience adjustments gain/(loss) on plan assets	171.79	(57.30)	(5.33)	(25.41)	(31.41)

## g. Principal actuarial assumptions at the Balance Sheet date :

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Discount rate	8.00%	8.25%
Estimated rate of return on plan assets	8.00%	9.00%
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 trust fund during the year ending 31st March, 2016.

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 operates through two business segments namely, a) Jute goods and b) Captive power generation. However, Captive power generation is not a reportable segment in terms of the criteria laid down in paragraph 27 of the AS-17, as the revenue/results/assets of this segment are not more than the threshold limit of 10% of the total segment revenue/results/assets and as such the disclosure requirements as required by AS-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, 2015	31st March, 2014	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
Sales (gross)	14,523.15	15,839.59	11,973.47	11,800.19	26,496.62	27,639.78
Carrying amount of segment assets	39,756.23	37,358.45	-	-	39,756.23	37,358.45
Capital expenditure	262.54	825.84	-	-	262.54	825.84

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lakhs)

## 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. Bright and Shine Micro Products Private Limited (BSMPPL)

c. Cheviot Agro Industries Private Limited (CAIPL)

d. Cheviot International Limited (CIL)

e. Mr. Harsh Vardhan Kanoria (Mr. H.V. Kanoria)

f. Mrs. Malati Kanoria (Wife of Mr. H.V. Kanoria)

g. Mr. Utkarsh Kanoria (Son of Mr. H.V. Kanoria)

## 2. Associates

i. Jan Priya Trust ii. Shashvat Foundation

## 3. Key Management Personnel

i. Mr. H. V. Kanoria ii. Mr. N. K. Kejriwal iii. Mr. U. Kanoria iv. Mr. D. Mazumdar

v. Mr. D. K. Mohta vi. Mr. M. K. Patni vii. Mr. A. Banerjee

## 4. Relative of Key Management Personnel

i. Mrs. Malati Kanoria (Wife of Mr. H.V. Kanoria) ii. Mrs. Bimla Kejriwal (Wife of Mr. N.K. Kejriwal)

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

Transactions/ Nature of Relationship	For the year ended 31st March, 2015					For the year ended 31st March, 2014				
	Controlling Group	Associates	Key Management Personnel	Relative of Key Management Personnel	Total	Controlling Group	Associates	Key Management Personnel	Relative of Key Management Personnel	Total
<b>Sale of goods</b>	-	-	-	-	-	-	1.48	-	-	1.48
Jan Priya Trust	-	-	-	-	-	-	1.48	-	-	1.48
<b>Sale of fixed assets</b>	-	-	-	-	-	-	-	1.80	-	1.80
Mr. M.K. Patni	-	-	-	-	-	-	-	1.80	-	1.80
<b>Rendering of services</b>	4.14	-	-	-	4.14	4.06	-	-	-	4.06
CIL	2.64	-	-	-	2.64	2.64	-	-	-	2.64
CAIPL	1.20	-	-	-	1.20	1.20	-	-	-	1.20
Others	0.30	-	-	-	0.30	0.22	-	-	-	0.22
<b>Receiving of services</b>	-	-	337.21	4.60	341.81	-	-	342.25	3.00	345.25
Mr. H.V. Kanoria	-	-	184.65	-	184.65	-	-	194.32	-	194.32
Mr. N.K. Kejriwal	-	-	40.07	-	40.07	-	-	62.74	-	62.74
Mr. D. Mazumdar	-	-	34.45	-	34.45	-	-	32.55	-	32.55
Others	-	-	78.04	4.60	82.64	-	-	52.64	3.00	55.64
<b>Deposit received</b>	-	-	0.36	-	0.36	-	-	0.16	-	0.16
Mr. M.K. Patni	-	-	-	-	-	-	-	0.16	-	0.16
Mr. A. Banerjee	-	-	0.36	-	0.36	-	-	-	-	-
<b>Dividend paid</b>	507.50	-	0.05	0.04	507.59	507.50	-	0.05	0.04	507.59
HIPL	386.11	-	-	-	386.11	386.11	-	-	-	386.11
Mr. H.V. Kanoria	51.58	-	-	-	51.58	51.58	-	-	-	51.58
Others	69.81	-	0.05	0.04	69.90	69.81	-	0.05	0.04	69.90
<b>Donation paid</b>	-	-	-	-	-	-	300.00	-	-	300.00
Shashvat Foundation	-	-	-	-	-	-	75.00	-	-	75.00
Jan Priya Trust	-	-	-	-	-	-	225.00	-	-	225.00
<b>Expenditure towards CSR</b>	-	65.00	-	-	65.00	-	-	-	-	-
Jan Priya Trust	-	65.00	-	-	65.00	-	-	-	-	-
<b>Outstanding receivable</b>	-	-	-	-	-	1.18	-	-	-	1.18
CIL	-	-	-	-	-	1.00	-	-	-	1.00
CAIPL	-	-	-	-	-	0.18	-	-	-	0.18
<b>Outstanding deposit</b>	-	-	1.12	-	1.12	-	-	-	-	-
Mr. A. Banerjee	-	-	1.12	-	1.12	-	-	-	-	-

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, 2015

(₹ 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, 2015	For the year ended 31st March, 2014
<b>PROVISION FOR CONTINGENCIES</b>	Indirect taxes	Indirect taxes
Balance at the beginning of the year	186.12	271.42
Additional provision during the year	–	–
Provision used during the year	–	0.09
Provision reversed during the year	–	85.21
Balance at the end of the year	186.12	186.12

Provision for contingencies represents estimates made mainly for probable claims arising out of disputes pending with the authorities under various statutes. The probability and timing of the outflow with regard to these matters depend on the ultimate settlement / conclusion with the relevant authorities.

- b. Contingent liabilities not provided for :

- Sales Tax in dispute - ₹ 16.49 (Previous year ₹ 19.59) under appeal and not acknowledged as debt.
- Income Tax in dispute - ₹ 236.27 (Previous year ₹ 186.98) under appeal and not acknowledged as debt.
- Wealth Tax in dispute - ₹ 222.75 (Previous year ₹ Nil) under appeal and not acknowledged as debt.
- Excise Duty in dispute - ₹ 2,475.00 (Previous year ₹ Nil) against show cause cum demand notice, not acknowledged as debt, for which appropriate reply has been furnished and matter not yet adjudicated.
- Service Tax in dispute - ₹ 1.44 (Previous year ₹ Nil) 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 and Captive Power Plant at Budge Budge and EOU at Falta, SEZ.
51. The Board of directors recommend payment of dividend of ₹ 17/- (Previous year ₹ 15/-) per Ordinary share of the face value of ₹ 10/- each for the year ended 31st March, 2015.
52. 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 : 19th day of May, 2015

CA Madhup Kumar Patni  
Chief Financial Officer  
CS Aditya Banerjee  
Company Secretary

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

Nawal Kishore Kejriwal      Navin Nayar  
Wholetime Director      Director  
DIN : 00060314      DIN : 00136057

**CHEVIOT COMPANY LIMITED**

CIN : L65993WB1897PLC001409

Registered &amp; Administrative Office

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

Ph: (033) 3291-9624/25/28; 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 Thursday, the 13th August, 2015 at 11.00 a.m.

Folio/DP ID &amp; 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.****REMOTE E-VOTING PARTICULARS**

EVEN (Remote E-Voting Event Number)	User ID	Password

Remote e-voting facility is available during the following voting period :

Commencement of Remote E-voting	End of Remote E-voting
<b>Monday 10th August, 2015 (10.00 a.m.)</b>	<b>Wednesday 12th August, 2015 (5.00 p.m.)</b>

Please refer to the AGM Notice for remote e-voting instructions

**CHEVIOT COMPANY LIMITED**

CIN : L65993WB1897PLC001409

Registered &amp; Administrative Office

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

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

**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 : .....

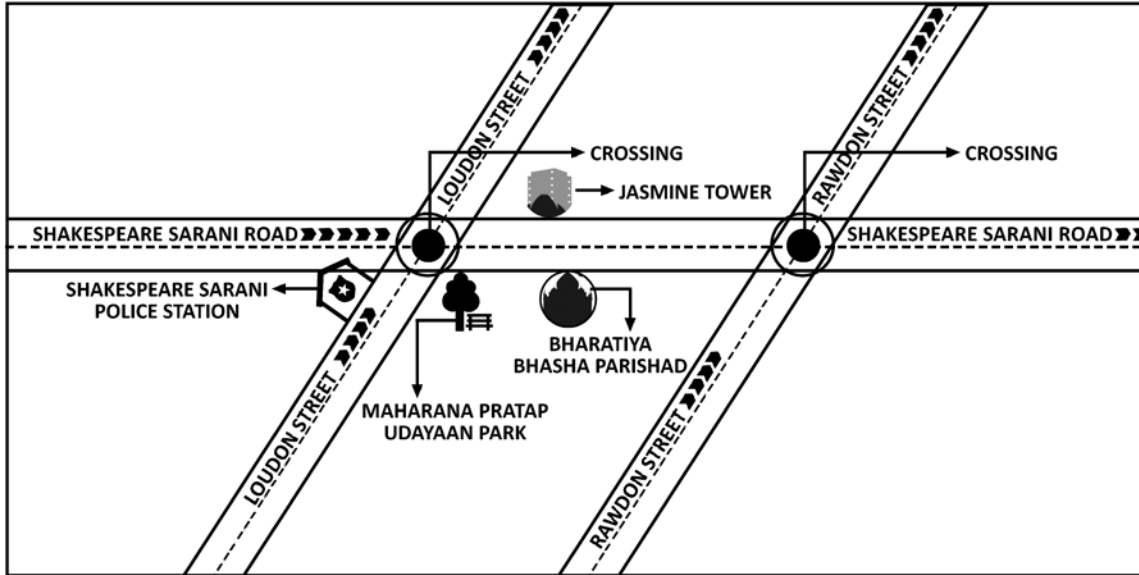
I/We, being the member(s), of the above named Company holding.....shares of the above named company, hereby appoint:

- (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 13th day of August, 2015 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*	
		For	Against
<b>Ordinary Business</b>			
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.	Ratification of the appointment of M/s. Jain & Co., Chartered Accountants, as Statutory Auditors for the financial year ending 31st March, 2016		
<b>Special Business</b>			
5.	Re-appointment of Mr. Harsh Vardhan Kanoria as Chairman and Managing Director for a further period of five years w.e.f. 1st August, 2015		
6.	Ratification of the remuneration of M/s. D. Radhakrishnan & Co., Cost Accountants, for the financial year ending 31st March, 2016		

Signed this .....day of .....2015

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 Meeting.
2. For the resolutions, notes and statement on special business please refer to the Notice of the annual general meeting.
- \*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**

24, PARK STREET, MAGMA HOUSE (9TH FLOOR)

KOLKATA - 700 016