



Group
Cheviot

CHEVIOT COMPANY LIMITED

CIN: L65993WB1897PLC001409

Registered & Administrative Office

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

Ph: 82320 87911/12/13; Fax (033) 22497269/22172488

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

Ref: CCL/Share/

Date: 30/7/2016

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

Ref: Company Code No. 526817

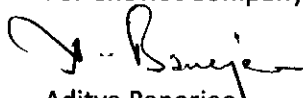
Sub: Cheviot Company Limited: Annual Report for the year ended 31st March, 2016

Dear Sir,

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the annual report for the year ended 31st March, 2016 which has been approved and adopted in the annual general meeting of the Company held on Friday, 29th July, 2016 at 11 A.M. at The Sitaram Seksaria Auditorium of Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata – 700017.

Trust you will find the above in order.

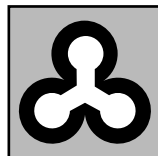
Thanking You,
For Cheviot Company Limited


Aditya Banerjee
Company Secretary

Encl. as stated above

ANNUAL REPORT

FOR THE YEAR ENDED 31ST MARCH 2016



**Group
Cheviot**

CHEVIOT COMPANY LIMITED

BOARD OF DIRECTORS

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

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

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

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

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

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

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

SENIOR MANAGEMENT

MR. UTKARSH KANORIA

MR. DEBDAS MAZUMDAR

MR. DEO KISHAN MOHTA

CHIEF FINANCIAL OFFICER

MR. MADHUP KUMAR PATNI

COMPANY SECRETARY

MR. ADITYA BANERJEE

AUDITORS

JAIN & COMPANY

Chartered Accountants

BANKERS

STATE BANK OF INDIA

CITIBANK N.A.

AXIS BANK LTD.

REGISTRAR AND SHARE TRANSFER AGENT

MAHESHWARI DATAMATICS PRIVATE LIMITED

6, MANGOE LANE, 2ND FLOOR, KOLKATA - 700 001

PHONE : 033-2243 5029 / 5809, FAX : 033-2248 4787

E-MAIL : mdpldc@yahoo.com

REGISTERED OFFICE

24, PARK STREET,

MAGMA HOUSE, (9TH FLOOR)

KOLKATA - 700 016

PHONE : +91 8232087911/12/13

FAX : 033-2249 7269 / 2217 2488

E-MAIL : cheviot@chevjute.com

WEBSITE : www.groupcheviot.net

CIN : L65993WB1897PLC001409

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PLANTS LOCATION

19, MEHTA ROAD, BADEKALINAGAR

BUDGE-BUDGE

24-PARGANAS (SOUTH) - 700 137

WEST BENGAL

SECTOR II

FALTA SPECIAL ECONOMIC ZONE

FALTA, 24-PARGANAS (SOUTH) - 743 504

WEST BENGAL

TEN YEARS FINANCIAL HIGHLIGHTS

Year ended	Share capital* (₹ in Lakhs)	Reserves and surplus** (₹ in Lakhs)	Net worth** (₹ in Lakhs)	Revenue from operations (net) (re-grouped) (₹ in Lakhs)	Net profit for the year (₹ in Lakhs)	Earnings per ordinary share (F.V. of ₹ 10/- each) (₹)	Book value per ordinary share (₹)	Dividend per ordinary share (₹)
31-03-2007	451.48	17,722.81	18,174.29	15,617.51	2,281.57	50.58	402.87	8.00
31-03-2008	451.48	22,321.94	22,773.42	17,937.04	2,199.10	48.75	504.81	10.00
31-03-2009	451.48	23,150.95	23,602.43	18,810.56	1,197.56	26.55	523.19	6.00
31-03-2010	451.48	24,327.30	24,778.78	17,479.49	1,640.98	36.38	549.27	8.00
31-03-2011	451.48	26,543.93	26,995.41	30,738.47	2,883.62	63.92	598.40	12.00
31-03-2012	451.48	28,714.16	29,165.64	29,232.80	2,886.91	63.99	646.51	13.00
31-03-2013	451.48	30,962.77	31,414.25	28,905.85	3,071.42	68.08	696.35	15.00
31-03-2014	451.48	32,817.67	33,269.15	27,843.13	2,680.38	59.42	737.47	15.00
31-03-2015	451.48	35,243.36	35,694.84	26,699.53	3,458.09	76.65	791.24	17.00
31-03-2016	451.48	41,357.95	41,809.43	34,303.80	3,647.47	80.85	926.78	17.00

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

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

NOTICE

TO THE MEMBERS

Notice is hereby given that the Annual General Meeting (AGM) of the Members of Cheviot Company Limited will be held at The Sitaram Seksaria Auditorium of Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017 on Friday, 29th July, 2016 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, 2016 and the reports of the Board of directors and auditors thereon.
2. To confirm the payment of interim dividend on ordinary shares for the financial year ended 31st March, 2016.
3. To appoint a director in place of Mr. Nawal Kishore Kejriwal (holding DIN 00060314), who retires by rotation and, being eligible, offers himself for re-appointment.
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 the 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 2016-2017.

Special Business :

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

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

FURTHER RESOLVED THAT the Board of directors of the Company including Committee thereof be and is hereby authorised to do all such acts and things and to take all such steps as may be necessary to give effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule V thereto and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby granted to the re-appointment of Mr. Nawal Kishore Kejriwal (Mr. Kejriwal) (holding DIN 00060314), as Wholetime Director of the Company for a further period of two years with effect from 1st June, 2016, whose office shall be liable to determination by retirement of directors by rotation, on the terms and conditions as to remuneration and otherwise as set out in the letter of re-appointment (a draft of which initialed by the Chairman and Managing Director for identification was laid on the table) to be issued to Mr. Kejriwal and also given in the statement annexed to this notice.

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

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

“RESOLVED THAT in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the Company be and is hereby accorded to the Board of directors of the Company including Committee thereof to create such charge, mortgage and hypothecation in addition to the existing charge, mortgage and hypothecation created by the Company, on the movable and immovable properties of the Company wheresoever situate, both present and future and the whole of the undertaking of the Company and/or to give the power to

NOTICE (Contd.)

take over the management of the business and concern of the Company in certain events (whether such power is contained in the documents creating the hypothecation, mortgage and/or charge or otherwise) to or in favour of Export Import Bank of India (EXIM Bank) to secure Rupee Term Loan not exceeding ₹ 1 Crore (Rupees one crore only) sanctioned by EXIM Bank and in favour of State Bank of India (SBI) to secure working capital facilities not exceeding ₹ 30 Crores (Rupees thirty crores only) sanctioned by SBI together with interest thereon at the agreed rates, compound interest, additional interest, liquidated damages, premia on prepayment or on redemption, costs, charges, expenses and other monies payable by the Company to EXIM Bank and SBI under their respective sanction letters in such form and manner and with such ranking for priority and at such times as the Board of directors of the Company including Committee thereof may deem fit.

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

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

“RESOLVED THAT pursuant to the provisions of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with 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) and the Articles of Association of the Company, consent of the Company be and is hereby accorded to the payment of commission for a period of five years commencing from 1st April, 2017 to the non-executive directors, including independent directors of the Company (i.e. directors other than the Managing Directors and / or Wholtime Directors) as may be decided by the Board of directors from time to time, provided that the total commission payable to the non-executive directors, including independent directors of the Company shall not exceed one percent of the net profits of the Company for that financial year as computed in the manner specified under Section 198 of the Act, with authority to the Board of directors to determine the manner and proportion in which the amount be distributed among non-executive directors, including independent directors of the Company.”

9. 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 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-imbursement of out of pocket expenses payable to M/s D. Radhakrishnan & Co., Cost Accountants (Registration No. 000018), who has been appointed by the Board of directors of the Company as cost auditor to conduct an audit of the cost accounting records maintained by the Company for the year ending 31st March, 2017 be and is hereby ratified.”

Kolkata, 25th May, 2016
CIN : L65993WB1897PLC001409
Registered Office:
24, Park Street,
'Magma House', (9th Floor),
Kolkata - 700 016
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, 23rd July, 2016 to Friday, 29th July, 2016 (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 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 respect of dividends paid by the Company for the financial year ended 31st March, 2008 have been transferred to the said Fund. Unpaid / unclaimed dividend for the financial year ended 31st March, 2009 will become due for transfer during August, 2016. 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 13th August, 2015 (date of previous year AGM) on the website of the Company (www.groupcheviot.net), as also on the website of Ministry of Corporate Affairs.

6. 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.

7. 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 19th July, 2016, so that proper information can be made available at the AGM.
8. 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.
9. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order or names, are requested to send the share certificates to the Company's Registrar and Share Transfer Agent for consolidation into a single folio.
10. 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 :

NOTICE (Contd.)

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).

11. Brief details of director seeking re-appointment at the ensuing AGM :

Mr. Nawal Kishore Kejriwal (Mr. Kejriwal), (holding DIN 00060314), who was appointed as a Wholetime Director of the Company at the AGM held on 8th August, 2014, retires from the Board by rotation at the forthcoming AGM, and being eligible, offers himself for re-appointment.

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

Mr. Kejriwal, aged 73 years, is a commerce graduate and holds a bachelor degree of law. Mr. Kejriwal has a long association with the Company. He has wide range of experience in management, marketing and administration. The Company will be benefitted by his rich experience and knowledge.

None of the directors on the Board of the Company are related to Mr. Kejriwal.

Mr. Kejriwal does not hold directorship and / or membership of Committees of the Board in any other listed Companies.

Number of Share held in the Company : 300 Shares.

12. Voting through electronic means :

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013, The Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to members to exercise their right to vote on resolutions set forth in this notice by electronic means from a place other than venue of the AGM ("remote e-voting"). The remote e-voting service will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM venue and the members attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their right to cast vote through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period shall commence on Tuesday, 26th July, 2016 (10:00 a.m.) and end on Thursday, 28th July, 2016 (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 i.e. Friday, 22nd July, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under :
 - A. In case a member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)] :
 - i. Open the PDF file viz; "Cheviot Company Limited remote e-voting.pdf" attached to the e-mail with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password.
 - ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - iii. Click on Shareholder – Login
 - iv. Put user ID and password as initial password noted in step (i) above. Click Login.
 - v. Password change menu appear. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

NOTICE (Contd.)

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

EVEN (Remote e-voting Event Number);	USER ID;	PASSWORD
--------------------------------------	----------	----------
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any query, you may refer the frequently asked questions (FAQs) for members and remote e-voting user manual for members available at the download section of www.evoting.nsdl.com or call on toll free no. : 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up ordinary share capital of the Company as on the cut-off date, Friday, 22nd July, 2016.
- 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, 22nd July, 2016, may obtain the User ID and password by sending a request at evoting@nsdl.co.in
- However, if you are already registered with NSDL for remote e-voting then you can use your existing User ID and password for casting your vote. If you forgot your password or your login is disabled upon five unsuccessful attempts to key-in the correct password, you can reset your password by using "Forgot user ID/password" option available on www.evoting.nsdl.com or contact NSDL at the 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, 22nd July, 2016 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XII. Ms. Suhana Islam, a practising advocate at Calcutta High Court, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- 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.

NOTICE (Contd.)

- XIV. The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty-eight hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XV. The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company (www.groupcheviot.net) and on the website of NSDL immediately after the declaration of results by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited.
13. The notice of the AGM, inter-alia, indicating the process and manner of remote e-voting alongwith Attendance Slip, Proxy Form and the Annual Report for 2016 are available on the Company's website (www.groupcheviot.net).
14. Route-map to the venue of the AGM is annexed for the convenience of the members.
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 Articles of Association of the Company currently in force were adopted in accordance with the provisions of the Companies Act, 1956.

With the enactment of Companies Act, 2013 ("the Act") and its substantial Sections having come into force, it is now expedient to replace the existing Articles of Association with new set of Articles of Association.

As per the provisions of Section 14 of the Act, alteration of the Articles of Association of the Company needs to be approved by the members of the Company.

The proposed new set of Articles of Association of the Company may be inspected by any Member at the Registered Office of the Company on any working day prior to the date of the meeting between 10.00 a.m. and 12.00 noon and will also be available for inspection at the AGM.

None of the directors and key managerial personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

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

Item No. 6

Mr. Nawal Kishore Kejriwal (Mr. Kejriwal), aged 73 years (holding DIN 00060314) is a commerce graduate and holds a bachelor degree in law. He has been associated with the Company for the last several years in his capacity as Wholetime Director. Mr. Kejriwal is a member in stakeholders relationship committee and committee of directors of the Board of directors of the Company.

The present term of office of Mr. Kejriwal will expire on 31st May, 2016. In view of his experience and useful contribution made to the Company's growth, the Board of Directors recommend his re-appointment as Wholetime Director, for a further period of two years with effect from 1st June, 2016, whose period of office shall be liable to determination by retirement of directors by rotation, on the terms and conditions mentioned in the draft letter of appointment to be issued to Mr. Kejriwal.

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

1. Salary: ₹ 1,55,000 per month or such other sum not exceeding ₹ 2,00,000 per month as may be determined by the Chairman and Managing Director from time to time.

NOTICE (Contd.)

2. Commission: Commission may be payable at the absolute discretion of the Board of such amount as may be approved by the Board for each year.
3. Perquisites: The Wholetime Director shall also be entitled to house rent allowance, furnishing allowance, payment of medical expenses, leave travel concession for self and family, personal accident insurance, provision of car, telephone at residence and any other perquisite as may be decided by the Chairman and Managing Director from time to time subject to an amount equal to the annual salary. Provision for use of Company car for official purpose and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculation of the said ceiling. Perquisites shall be evaluated as per Income Tax Rules, wherever applicable. The remuneration mentioned above including the value of the perquisites will be subject to the overall ceilings laid down under Section 197 of the Companies Act, 2013 ("the Act") read with Schedule V thereto.
4. Mr. Kejriwal shall not be paid any sitting fee for attending the meeting of the Board or any committee thereof.
5. In the event that the Company in any financial year during the aforesaid period, has no profit or its profits are inadequate, the remuneration payable to Mr. Kejriwal shall not exceed the limits specified in Section II of Part II of Schedule V to the Act or any modification(s) or re-enactment thereof as minimum remuneration, subject to such approvals as may be required.
6. Mr. Kejriwal will be reimbursed by the Company of all entertainment and other expenses actually incurred by him in connection with the business of the Company subject, however, to such limits as may be fixed by the Chairman and Managing Director from time to time.
7. Mr. Kejriwal and the Company shall have right to terminate the appointment by giving three months' prior notice in writing to the other.

A copy of the draft letter of re-appointment referred to in the proposed Special Resolution may be inspected by any Member at the Registered Office of the Company on any working day prior to the date of the meeting between 10.00 a.m. and 12.00 noon and will also be available for inspection at the AGM.

Except Mr. Kejriwal, being an appointee, none of the other directors and key managerial personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

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

Item No. 7

Export Import Bank of India (EXIM Bank) has sanctioned a Rupee Term Loan of ₹ 1.00 crore to the Company under its Production Equipment Finance Programme (PEFP) to part finance the acquisition of equipments purchased by the Company vide letter bearing reference no. CBG : PEFP-518:70 dated 24.5.2016. The said term loan has to be secured by pari-passu first charge on the entire fixed assets of the Company, both present and future and pari-passu second charge on the entire current assets of the Company, both present and future.

Besides, State Bank of India, Commercial Branch, Kolkata (SBI), the Company's bankers has enhanced the overall working capital credit facilities from ₹ 22.25 crores to ₹ 30.00 crores vide letter bearing reference no. CBK/AMT-08/2015-16/526 dated 1.2.2016 to be secured by hypothecation of entire current assets of the Company including book debts, both present and future on first charge basis and further collateral security over the Fixed Assets of the Company on second charge basis.

Before creation of the mortgage/charge over the immovable and movable properties of the Company as aforesaid in favour of EXIM Bank and SBI, it is necessary for the members to pass a special resolution under Section 180(1)(a) of the Companies Act, 2013.

Copies of the letter bearing reference no. CBG : PEFP-518:70 dated 24.5.2016 received from EXIM Bank and letter bearing reference no. CBK/AMT-08/2015-16/526 dated 1.2.2016 received from SBI are open for inspection at the Registered Office of the Company between 10.00 A.M. and 12.00 Noon on any working day prior to the date of the AGM.

None of the directors and key managerial personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

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

NOTICE (Contd.)**Item No. 8**

At the AGM of the Company held on 28th July, 2011, the members had passed a Special Resolution under Section 309 and other applicable provisions, if any, of the Companies Act, 1956, approving the payment of commission to non-executive directors of the Company, of a sum not exceeding in the aggregate one percent of the net profits of the Company computed in accordance with the provisions of the Companies Act, 1956 for each of the five financial years of the Company commencing from 1st April, 2012, as may be determined by the Board of directors. The said approval is valid upto 31st March, 2017.

Keeping in view the role, responsibilities and duties of the non-executive directors, including independent directors of the Company (i.e. directors other than the Managing Directors and / or Wholetime Directors), it is proposed to authorise the Board of Directors of the Company to continue the payment of commission to the non-executive directors, including independent directors of the Company. The Board of Directors will determine each year, the specific amount to be paid as commission to the non-executive directors, including independent directors of the Company which shall not exceed one percent of the net profits of the Company for that year, as computed in the manner referred to in Section 198 of the Companies Act, 2013.

In view of the above, the members approval is being sought pursuant to Sections 197, 198 and other applicable provisions of the Companies Act, 2013, if any, for the payment of commission to the non-executive directors, including independent directors of the Company for a period of five years commencing from 1st April, 2017. The payment of commission would be in addition to the sitting fees payable to non-executive directors, including independent directors of the Company for attending Meetings of the Board and Committees thereof.

Save and except all the non-executive directors, including independent directors of the Company, none of the other directors and key managerial personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommend passing of the proposed Ordinary Resolution as set out at Item No. 8 of the notice.

Item No. 9

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, 2016 and ending on 31st March 2017.

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

None of the directors and key managerial personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommend passing of the proposed Ordinary Resolution as set out at Item No. 9 of the notice.

Kolkata, 25th May, 2016
CIN : L65993WB1897PLC001409
Registered Office:
24, Park Street,
'Magma House', (9th Floor),
Kolkata - 700 016
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, 2016.

1. FINANCIAL SUMMARY

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Operating results after charging depreciation and amortisation show a profit of	3,826.64	1,967.38
Add : Other income	1,271.66	2,166.73
Add: Exceptional item :		
Provision against indirect taxes refundable written back	-	97.45
Profit before tax	5,098.30	4,231.56
From which have been deducted :		
Current tax	1,453.00	749.00
Tax for earlier years (net)	(0.39)	1.10
Deferred tax	(1.78)	23.37
Profit after tax	3,647.47	3,458.09
Surplus as per last balance sheet	535.07	500.02
Making a total of	4,182.54	3,958.11
Which has been appropriated by the directors as under :		
Interim dividend	766.91	-
Tax on interim dividend	156.13	-
Proposed dividend	-	766.91
Tax on proposed dividend	-	156.13
Transferred to SEZ re-investment reserve account	25.00	350.00
Transferred to general reserve	2,650.00	2,150.00
Balance surplus carried to balance sheet	584.50	535.07
	4,182.54	3,958.11

2. DIVIDEND

Your directors consider that the interim dividend of ₹ 17/- per ordinary share of face value of ₹ 10/- each (i.e. 170%) paid for the year ended 31st March, 2016 is reasonable and therefore do not recommend a final dividend for the year.

3. TRANSFER TO RESERVE

Directors propose to transfer an amount of ₹ 25 to the SEZ re-investment reserve account and ₹ 2650 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, 2016	For the year ended 31st March, 2015
Gross sales	33,880.62	26,496.62
Export sales (C.I.F. value)	10,553.34	11,973.47
Operating profit	3,826.64	1,967.38
Other income	1,271.66	2,166.73
Profit before tax	5,098.30	4,231.56
Profit after tax	3,647.47	3,458.09
Earnings per ordinary share of face value of ₹ 10 (in ₹)	80.85	76.65

DIRECTORS' REPORT (Contd.)

(₹ in Lakhs)

During the year under review, the Jute Industry gradually came out from bad phase and was able to operate at reasonable capacity largely on account of regular government orders compared to previous year when there was an Industry-wide cut in production.

In the wake of above scenario, it is a matter of great satisfaction that due to better production and operational efficiency, your Company achieved higher operating profit by more than 94% i.e. ₹ 1,859.26, being ₹ 3,826.64 in the year under review as compared to ₹ 1,967.38 in the previous year. However, impact of said increase in profitability was diluted mainly due to lower other income, largely attributable to less return on debt funds on account of lower interest rates, stagnant capital market, few maturities of investments as compared to previous year. Accordingly, profit after tax was ₹ 3,647.47 as compared to ₹ 3,458.09 during the previous year.

Demand of jute goods from overseas markets remained sluggish. There has been steep fall in export of jute yarn from India. Moreover, the Company's export oriented unit at Falta SEZ has been continuously operating at reduced capacity for want of adequate orders. Accordingly, CIF value of export sales was lower at ₹ 10,553.34 as against ₹ 11,973.47 during previous year. Nevertheless, we are pursuing with our initiatives to export other diversified Jute products including shopping bags, geo textile products, conventional and decorative hessian products and are hopeful to establish them in the time to come.

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

Keeping in view the vital role played by the Jute Industry in the livelihood of farmers and workers, government has been taking continuous measures for protecting the jute sector. Significant steps taken by the Government include extension of the mandatory packaging norms, promotion of jute diversified products like launching the Jute CFC scheme, promotion of jute geo textiles, MSP operations through JCI etc.

Merchandise Exports from India Scheme (MEIS) introduced by the Government of India during last year which inter-alia provides rewards for export of Jute Goods in the form of duty free scrips of 5% of realised FOB value in free foreign currency on all jute products exported out of India continues. Likewise, various schemes being implemented by National Jute Board for workers' welfare, scholarship scheme for children of jute mill workers, export market development assistance scheme and incentive scheme for acquisition of plant and machinery also continues.

On the other hand, the Industry experienced historical rise in prices of raw jute to a level which is unprecedented and highest, triggered as a result of shortage of raw jute coupled with ban on export of raw jute imposed by Bangladesh. The shortage of raw jute was due to poor crop which resulted on account of unfavourable weather and climatic conditions.

In order to handle the crisis, Government has been taking several measures including stipulation of stock limits for holding raw jute, persuading Bangladesh to lift the ban on the export of raw jute. As a long term measure to improve availability of raw jute, it is sine qua non for the Government to take appropriate steps for improving area, production and productivity of raw jute.

b) Opportunities and threats*Opportunities*

- Awareness to use eco-friendly, bio-degradable jute goods across the world will keep jute goods always in demand;
- Steps taken by the Government of India to assist the jute mills to upgrade old/obsolete machineries and to promote jute diversified products will provide opportunity to increase market of jute goods.

Threats

- Farmers are allured to take up agricultural activities other than jute which result in poor jute crop;
- Dilution of Jute Packaging Materials (Compulsory use in packing commodities) Act, 1987 (JPMA) leads to use of alternate synthetic products for packaging of food grains and sugar;
- Hard work required in jute industry drive away new generation of workers to opt for alternate opportunities.

DIRECTORS' REPORT (Contd.)

(₹ in Lakhs)

c) Segment-wise or product-wise performance

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

	Within India		Outside India		Total	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
Sales (gross)	23,327.28	14,523.15	10,553.34	11,973.47	33,880.62	26,496.62
Carrying amount of segment assets	45,078.37	39,756.23	-	-	45,078.37	39,756.23
Capital expenditure	663.42	262.54	-	-	663.42	262.54

d) Outlook

Sowing for the new jute crop for the season 2016-17 is presently under process. It is widely believed that weather conditions are likely to remain favourable, yielding a better jute crop than last season. However, movement in prices of raw jute would be governed by the overall availability of raw jute in India including by way of import from Bangladesh which will depend on export policy of the Bangladesh Government.

The phenomenal rise in price of raw jute has pushed the jute goods prices upward and made them uncompetitive both in domestic and international markets. Consequently, the demand of jute goods other than government orders has been severely affected, leading to loss of domestic market as also the loss of export orders.

Export markets remaining sluggish, traditional jute sacking products will constitute major share in the Company's revenue. The Company endeavours to control other input costs in all possible manners.

Looking to the above scenario, the outlook for the current year does not appear to be promising.

e) Risks and concerns

The key elements of business risks identified by the Company and its mitigation measures are as under :

- *Competition risk and mitigation measures*

There is a strong competition from Bangladesh in the international market. The cost of labour and power in India are significantly higher than Bangladesh. As a result, the price quoted by Bangladesh in the global market cannot be matched by Indian jute manufacturers. Moreover, current high prices of jute goods have made them uncompetitive in domestic markets as against other packaging materials. In order to survive and mitigate the said risk, the Company is making endeavour to improve operational efficiency and cut costs in all possible areas.

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

Despite jute products being environmental friendly and enjoying statutory protection for mandatory use for specified products, alternate packaging materials like HDPE/Polypropylene are used as substitute in the packaging market due to the latter being cost effective. To mitigate this risk of using environmental harmful packaging material and to face competition effectively, the Company is making efforts to increase varied use of jute goods by manufacturing diversified jute products including shopping bags and explore avenues to penetrate into new markets. Besides, efforts are being made to develop lighter products of jute goods with less jute content.

- *Fluctuations in foreign exchange risk and mitigation measures*

Export sales of the Company are transacted in foreign currencies where fluctuation in currency may impact margins of the Company. In order to mitigate this risk, company enters into forward contract for hedging foreign exchange exposure against exports and imports.

- *Business operations risk and mitigation measures*

Some of the business operations risks and their mitigation measures are outlined below :

Revenue concentration : The domestic market primarily depends on the Government procurement level for

DIRECTORS' REPORT (Contd.)

(₹ in Lakhs)

packaging of food grains. India remains a residual supplier in the export market which is dominated largely by Bangladesh jute manufacturers. The Company generates revenue from domestic as well as export sales. Few measures being taken to mitigate this risk include innovative usage of jute goods, reach out to potential buyers both in domestic and export front, creating infrastructure for value added and diversified jute products including shopping bags.

Raw Materials : Availability of raw jute is very crucial for smooth functioning of the mills. The previous season witnessed acute shortage of raw jute. Moreover, Bangladesh imposed a restriction on export of raw jute to India in the later part of the year. The stock built-up was also regulated by the office of Jute Commissioner. Under such difficult conditions, the Company maintained a policy of regular procurement of raw jute in a planned manner linked with production and order position to mitigate this risk. In addition to the above, weight reduction by Government for procurement of B. Twill bags from 665 gms to 580 gms, helped in conservation of raw jute.

Manpower : Inadequate availability of skilled and unskilled workers at various levels of production is a serious concern for smooth operations and good quality of end jute products. The problem is further accentuated with high rate of absenteeism amongst workers. To mitigate such risk, the Company is continuously providing required in-house training to freshers and suitably incentivising good performers from time to time. In order to find long term solution to the problem, it is imperative to focus on modernisation and automation of manufacturing process to the extent feasible.

f) Internal control systems and their adequacy

The Company has in place an adequate internal control system commensurate with the size and the nature of operations and the same was operating effectively during the year. The Board have designed the policies and procedure to ensure generation of reliable financial information from the accounting records maintained with proper authorisation in a secured server. The senior management ensures completeness of the accounting records with a reasonable assurance of its accuracy. The audit committee satisfied itself of the adequacy and effectiveness of the internal financial control system from the findings of statutory auditors and internal auditors. Suggestions for improvement are considered and the audit committee monitors the implementation of corrective measures. The Board keep proper vigilance on safeguarding assets of the Company from any unauthorised use and adherence to Company policies by employees at all level.

g) Discussion on financial performance with respect to operational performance

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

- Revenue from sale of jute goods was at ₹ 33,880.62 during the year as compared to ₹ 26,496.62 during previous year;
- Operating profit of the Company has increased by ₹ 1,859.26 during the year under review;
- Finance cost was ₹ 81.63 during the year under review as against ₹ 86.72 in previous year;
- Inventories were valued at ₹ 5,928.92 as at 31st March, 2016 as against ₹ 4,525.86 as at 31st March, 2015. Increase in inventories is partly due to higher stock of finished goods and partly due to higher average rate of stocks;
- The Company has invested ₹ 663.42 in fixed assets inclusive of capital advances given during the year.

h) Material developments in Human Resource / Industrial Relations front, including number of people employed

Industrial relations remained harmonious during the year under review. Shortage of new skilled entrants in the Jute Industry coupled with high rate of worker absenteeism have been areas of concern. The Company is working on all possible measures to overcome the issue of availability of skilled workers.

The Company has approached Sulabh International to explore possibility of construction of toilet blocks for workers in the Company's premises under the National Jute Board scheme for workers welfare in Jute sector. Further, the eligible children of workers were benefitted under the National Jute Board Scholarship Scheme. Humidification systems installed by the Company continue to provide a comfortable working atmosphere within the factory. Workers are encouraged to take in-house training to enhance their skill and knowledge. Benefits and

DIRECTORS' REPORT *(Contd.)*

other facilities provided by the Company under its various staff welfare schemes are upgraded from time to time in the overall interest of the staffs.

As on 31st March, 2016, the Company had 4168 employees on its rolls.

The Company has a policy on prevention, prohibition and redressal of complaints/grievances on the sexual harassment of women at work places which is being monitored by a committee constituted by the Company for the said purpose. During the year under review, no complaint of sexual harassment has been received by the Company.

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

The corporate governance report and a certificate from the statutory auditors M/s Jain & Co., Chartered Accountants regarding compliance of the conditions of corporate governance as stipulated in Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in Annexure - I, forming part of this report.

7. EXTRACT OF THE ANNUAL RETURN

An extract of the annual return for the year ended 31st March, 2016 in the prescribed Form MGT-9 is given in Annexure - II forming part of this report in compliance with Section 92 of the Companies Act, 2013.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of investments made by the Company have been disclosed in Note 11 and Note 14 to the financial statements for the year ended 31st March, 2016.

9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, all transactions with related parties were in the ordinary course of business and on arm's length basis. There being no 'material' contracts or arrangement or transactions at arm's length basis with related parties, no disclosure in Form AOC-2 is therefore required. Disclosures as required under accounting standard-18 have been made in Note 46 to the financial statements for the year ended 31st March, 2016. Since the Company has not extended any loan or advance to its associate, holding or firms/companies in which directors are interested, no disclosure is required as per Point A(2) to Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The information and details on conservation of energy, technology absorption, foreign exchange earnings and outgo, as stipulated in Section 134(3)(m) of the Companies Act, 2013 and the Rules framed thereunder are given 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 identifying therein the elements of risk and concern that may threaten the existence of the Company. Audit committee reviews the risk elements and decides the appropriate mitigation procedures. The Board keeps an overall watch on the business risks and opportunities. Detailed discussion on risks/concern/threat has been made under the head 'management discussion and analysis report'.

12. CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year, the Company made direct expenditure on restoration of two school buildings near the factory area as part fulfillment of the CSR towards promoting education. Besides, CSR activities were carried out through eligible registered trusts having established track records in the field of promoting education and health care. CSR Policy of the Company is available on Company's website (www.groupcheviot.net). Annual Report on CSR is given in Annexure - IV forming part of this report.

13. ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a vigil mechanism/whistle blower policy to report any concern or misconduct by affected persons. This Policy also allows a direct access to the Chairman of audit committee in exceptional cases. The whistle blower policy is hosted on the Company's website (www.groupcheviot.net).

DIRECTORS' REPORT *(Contd.)*

14. DIRECTORS

During the year under review, there was no change in the composition of the Board of Directors.

Mr. Harsh Vardhan Kanoria, Chairman and Managing Director and CEO (holding DIN 00060259) was re-appointed for a period of five years with effect from 1st August, 2015 by the members at the AGM held on 13th August, 2015.

Mrs. Malati Kanoria, non-executive director, (holding DIN 00253241) was re-appointed as a Director at the AGM held on 13th August, 2015 whose period of office was liable to determination by retirement of directors by rotation.

Mr. Nawal Kishore Kejriwal (Mr. Kejriwal) (holding DIN 00060314) retires from the Board by rotation at the forthcoming AGM, and being eligible, offers himself for re-appointment.

Mr. Kejriwal has been re-appointed as Wholetime Director of the Company by the Board whose period of office shall be liable to determination by retirement of directors by rotation for a further period of 2 years with effect from 1st June, 2016 subject to the approval of the members at the forthcoming AGM.

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

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.

The Board of directors have carried out the annual performance evaluation of its own performance, performance of various committees constituted by the Board and the individual directors. The criteria for said evaluation has been stated in the corporate governance report annexed hereto.

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

Keeping in view the requirements of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the nomination and remuneration committee (NRC) review the composition and diversity of the Board and identify persons who are qualified to become directors in accordance with the criteria laid down by the Board of Directors of the Company. NRC recommend to the Board about the appointment/re-appointment of eligible candidates including their terms of appointment and remuneration. The remuneration policy including criteria for determining qualifications, positive attributes, independence of a director have been disclosed in Annexure - V forming part of this Report.

16. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

17. NUMBER OF MEETINGS OF THE BOARD

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

DIRECTORS' REPORT *(Contd.)*

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

There was no change in the Key Managerial Personnel during the year under review.

20. PARTICULARS OF EMPLOYEES

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

21. PUBLIC DEPOSITS

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

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;
- (iii) There is no company which has become or ceased to be the Company's subsidiary, joint venture or associate company during the year;
- (iv) No significant and material order was passed by the regulators or courts or tribunals which impact the going concern status and its future operations.

23. ADOPTION OF NEW ARTICLES OF ASSOCIATION

The existing Articles of Association of the Company were adopted in accordance with the provisions of the Companies Act, 1956. With the enactment of Companies Act, 2013 and its substantial Sections having come into force, it is now expedient to replace the existing Articles of Association with the new set of Articles of Association. It is accordingly proposed that a new set of Articles of Association be adopted by the members and a resolution to this effect is included at Item No. 5 of the notice convening the annual general meeting. The Board recommends passing of the said resolution by the members.

24. STATUTORY AUDITORS

M/s Jain & Co., Chartered Accountants (ICAI Registration No. 302023E), was appointed as the statutory auditor of the Company 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. Moreover, the Statutory Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

25. COST AUDITORS

The cost accounting records maintained by the Company for the current financial year ending on 31st March 2017 are required to be audited pursuant to Section 148 of the Companies Act, 2013 read with Rules framed thereunder. In this regard, the Board of directors on the recommendation of audit committee, had reappointed M/s D. Radhakrishnan & Co., Cost Accountants (Registration No. 000018), to carry out the cost audit at a remuneration of ₹ 32,500/- plus applicable taxes and re-imbursalment of out of pocket expenses incurred by them.

The resolution included at Item No. 9 of the notice convening the annual general meeting seek members' ratification to the remuneration payable to the cost auditor.

DIRECTORS' REPORT *(Contd.)***26. SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules framed thereunder, the Company has appointed M/s MR & Associates, a firm of practicing company secretaries (CoP 2551) as the secretarial auditor for the year ended 31st March, 2016. The secretarial audit report dated 14th May, 2016 is attached as Annexure - VII to this report.

27. ACKNOWLEDGEMENTS

The directors sincerely thank financial institutions, banks, government authorities, business associates and all stakeholders for their continued co-operation and support to the Company. The directors record with appreciation, the dedicated service and valued contributions made by employees at all levels.

Kolkata, 25th May, 2016

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

ANNEXURE I TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

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

1. Company's philosophy on Code of Governance

The Company's philosophy on Code of Governance continues in the direction of achieving sustained growth and attaining satisfaction of its employees, shareholders and customers. Your Company believes that good governance is a continuous process which enables the Company to uphold the ethical and business expectations by maintaining high standard of product quality, transparency in operations, improved productivity and enhanced customer satisfaction.

2. Board of Directors

a) Composition and category of directors

The composition of the Board of Directors (the Board) is in conformity with Section 149 of the Companies Act, 2013 and Listing Regulations. As on 31st March 2016, the Board of the Company comprised of 7 (seven) Directors, of whom one is an executive director belonging to the promoter group (Chairman and Managing Director), one is an executive director (Wholetime Director), one is a woman non-executive director belonging to the promoter group, and four are independent directors.

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), along-with number of other Directorship(s) and other Board Committee Chairmanship(s)/Membership(s) held as on 31st March 2016.

Name of the Directors	Position	Attendance Particulars		No. of other directorship(s) and other Board committee membership(s)/chairmanship(s) held		
		At Board Meetings	At Last AGM held on 13th August, 2015	Other Board Directorship(s) #	Other Board Committee Membership(s) *	Other Board Committee Chairmanship(s) *
Mr. Harsh Vardhan Kanoria	Chairman and Managing Director, Chief Executive Officer (Promoter Category)	5	Yes	4	Nil	Nil
Mr. Nawal Kishore Kejriwal	Wholetime Director	5	Yes	1	Nil	Nil
Mr. Navin Nayar	Independent Director	4	Yes	8	2	1
Mr. Parag Keshar Bhattacharjee	Independent Director	5	Yes	10	1	Nil
Mr. Sushil Dhandhanania	Independent Director	3	Yes	16	Nil	Nil
Mr. Padam Kumar Khaitan	Independent Director	2	No	12	3	2
Mrs. Malati Kanoria	Non-Executive Director (Promoter Category)	5	Yes	4	Nil	Nil

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

* Committees include only Audit Committee and Stakeholders Relationship Committee.

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

5 (five) meetings of the Board were held during the year on 19th May, 2015, 13th August, 2015, 6th November, 2015, 10th February, 2016 and 10th March, 2016. The maximum gap between two meetings was less than one hundred and twenty days. During the year, as per the requirement of Schedule IV to the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations, a separate meeting of the independent directors was held on 24th March, 2016 which was attended by all the independent directors.

ANNEXURE I TO THE DIRECTORS' REPORT (Contd.)**d) Disclosure of relationships between directors inter-se**

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

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

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

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

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

g) Other provisions

The Company has proper systems to enable the Board to periodically review compliance reports prepared by the Company in respect of laws applicable to the Company, as well as steps taken by the Company to rectify any instances of non-compliance. The Board has devised plans for orderly succession for appointments to the Board of directors and to senior management category.

3. Audit committee**a) Brief description of terms of reference**

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

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommend to the Board the appointment, remuneration and terms of appointment of auditors;
- Examination of quarterly and annual financial statements and the auditor's report thereon before submission to the Board;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Evaluation of internal financial controls and risk identification, assessment and mitigation process;
- Discussion with internal auditors on any significant findings and reviewing the reporting structure, coverage and frequency of internal audit;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- Review of the functioning of whistle blower mechanism;
- Scrutiny of inter-corporate loans and investments;
- Approval of related party transactions.

b) Composition, name of members and chairperson

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

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

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

c) Meetings and attendance during the year

During the year, 4 (four) meetings of the audit committee were held on 19th May, 2015, 12th August, 2015, 6th November, 2015 and 10th February, 2016.

ANNEXURE I TO THE DIRECTORS' REPORT (Contd.)

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

President (Corporate Affairs), Chief Financial Officer, representatives of statutory auditor, internal auditor and cost auditor were invitees to the meetings of the audit committee. The chairman of the audit committee was present at the last AGM of the Company held on 13th August, 2015. Minutes of audit committee are placed before the Board for noting. The Company Secretary acts as the secretary to the audit committee.

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

4. Nomination and remuneration committee**a) Brief description of terms of reference**

The terms of reference of the Nomination and Remuneration Committee are in accordance with the provisions of Section 178 of the Companies Act, 2013 and also include the roles as specified in Part D (A) of Schedule II to the Listing Regulations.

The terms of reference inter-alia include :

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

b) Composition, name of members and chairperson

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

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

c) Meetings and attendance during the year

During the year, 2 (Two) meetings of the nomination and remuneration committee were held on 18th May, 2015 and 6th November, 2015.

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

The chairman of the nomination and remuneration committee was present at the last AGM of the Company held on 13th August, 2015.

d) Performance evaluation criteria for independent directors

The nomination and remuneration committee has laid down the evaluation criteria for determining the performance of the independent directors on the Board broadly covering preparedness for board meetings; attendance; judgments 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

ANNEXURE I TO THE DIRECTORS' REPORT (Contd.)

(₹ in Lakhs)

business information; disclosure of interest and list of relatives in timely manner; response from fellow Board members and senior management 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 24th March, 2016 and carried out inter-alia the performance evaluation of the Chairman and Managing Director of the Company, other non-independent directors and the Board as a whole.

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

Details of remuneration of executive directors for the year ended 31st March, 2016:

Name of the directors	Salary	Commission	Contribution to provident fund	Estimated value of other perquisites	Tenure of appointment
Mr. Harsh Vardhan Kanoria	22.00	213.00	2.20	29.29	5 years from 1st August, 2015
Mr. Nawal Kishore Kejriwal	15.00	15.00	1.50	8.99	2 years from 1st June, 2014

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

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

Details of remuneration of non-executive directors including independent directors for the year ended 31st March, 2016:

Non-Executive/Independent Directors	Sitting fees	Commission
Mrs. Malati Kanoria	0.25	4.00
Mr. Sushil Dhandhanania	0.15	4.00
Mr. Navin Nayar	0.20	4.00
Mr. Parag Keshar Bhattacharjee	0.25	4.00
Mr. Padam Kumar Khaitan *	0.10	4.00

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

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

Apart from payment of remuneration to non-executive directors / independent directors of the Company, as disclosed herein above, the Company has paid dividend aggregating to ₹ 96.95 to Mrs. Malati Kanoria. The Company has not entered into any other pecuniary relationship or transactions with the non-executive directors.

b) Criteria of making payment to non-executive directors

The role of the non-executive directors requires devotion of sufficient time to exercise independent judgment in the best interest of Company with ability to contribute and to monitor corporate governance practice and adherence to the Company's code of conduct. Appointments and terms of remuneration of non-executive directors are considered by the Board of directors of the Company based on the recommendation of the nomination and remuneration committee within the limits specified in the special resolution passed by the members.

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

Remuneration to the non-executive directors are kept at levels such that the non-executive directors can be retained and motivated to run the Company successfully.

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

6. Stakeholders Relationship Committee

a) Name of non-executive director heading the committee

Mr. Sushil Dhandhanian, an Independent Director of the Company is the Chairman of the stakeholders relationship committee. The details of composition of stakeholders relationship committee with name of members and chairperson are 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) Name and designation of Compliance Officer

Mr. Aditya Banerjee, Company Secretary of the Company is the compliance officer.

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

During the year under review, 57 queries/complaints were received from the shareholders, all of which have been redressed to the satisfaction of shareholders except 1 query received on 25th March, 2016 which has since been redressed. The Company had no request pending for share transfer/transmission at the close of financial year. Queries/complaints received from the investors are replied generally within 15 days of the receipt of the letters/ mails.

7. Other Committees

I. Corporate Social Responsibility Committee

a) Composition, name of members and chairperson

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

Name of the directors	Designation	Category
Mr. Harsh Vardhan Kanoria**	Chairman	Chairman and Managing Director
Mrs. Malati Kanoria**	Chairperson	Non-Executive Director
Mr. Sushil Dhandhanian	Member	Independent Director
Mr. Padam Kumar Khaitan	Member	Independent Director

b) Meetings and attendance

Four meetings of the CSR committee were held on 18th May, 2015, 12th August, 2015, 6th November, 2015 and 10th February, 2016.

ANNEXURE I TO THE DIRECTORS' REPORT (Contd.)

Name of the directors	Number of meetings attended
Mr. Harsh Vardhan Kanoria**	2
Mrs. Malati Kanoria**	2
Mr. Sushil Dhandhania	4
Mr. Padam Kumar Khaitan	2

** The CSR Committee was reconstituted by the Board at its meeting held on 13th August, 2015 appointing Mrs. Malati Kanoria as the Chairperson of the CSR Committee in place of Mr. Harsh Vardhan Kanoria, who ceased to be a member of the CSR Committee w.e.f. 13th August, 2015.

II. Risk Management committee

As per the Listing Regulations, requirement of constituting Risk Management Committee had been made applicable to top 100 listed entities, determined on the basis of market capitalisation, as at the end of the immediate previous financial year. Since the Company did not fall within the top 100 listed entities, it decided to discontinue the Risk Management Committee which was earlier formed by the Board at its meeting held on 11th November, 2014. The areas of risk identification, assessment and mitigation process are monitored by the Audit Committee of the Board.

8. General Body Meetings**a) Location and time where last three Annual General Meetings (AGMs) were held and special resolutions passed in the previous three AGMs :**

Financial Year	Location	Date	Time	Special Resolutions Passed
2012-2013	The Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani (4th Floor), Kolkata-700 017	26th July, 2013	11.00 a.m.	Nil
2013-2014	The Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani (4th Floor), Kolkata-700 017	8th August, 2014	11.00 a.m.	i. Amendment to the Articles of Association of the Company ii. Appointment of Mr. Nawal Kishore Kejriwal (Aged 71 years) as Wholetime Director iii. Appointment of Mr. Parag Keshar Bhattacharjee (Aged 75 years) as Independent Director
2014-2015	The Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani (4th Floor), Kolkata-700 017	13th August, 2015	11.00 a.m.	Nil

b) Postal Ballot

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

9. Means of Communication

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

ANNEXURE I TO THE DIRECTORS' REPORT (Contd.)**10. General shareholder information**

i)	AGM : Date, Time and Venue	29th July, 2016 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 2016 to March, 2017 II. First quarter results : 29th July, 2016 III. Half yearly results : On or before 14th November, 2016 IV. Third quarter results : On or before 14th February, 2017 V. Audited Financial Statements : On or before 30th May, 2017
iii)	Dividend payment date	Interim dividend was paid on 21st March, 2016
iv)	The name and address of each stock exchange(s) at which the Company's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001 Listing Fees for the year 2016-2017 has been paid on 22nd April, 2016.
v)	Stock Code-Physical	526817 on BSE Limited
	Demat ISIN Number for NSDL and CDSL	INE974B01016
vi)	Market Price data: High, Low during each month in last financial year	Information has been given at the end of clause 10.
vii)	Stock performance of the Company in comparison to BSE Sensex. (April, 2015 to March, 2016)	Information has been given at the end of clause 10.
viii)	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 : mdpldc@yahoo.com
ix)	Share Transfer System	Information has been given at the end of clause 10.
x)	Distribution of Shareholding as on 31st March, 2016	Information has been given at the end of clause 10.
xi)	Dematerialisation of shares and liquidity	As on 31st March, 2016, 96.3297% of the Company's paid-up share capital representing 4345675 shares is held in dematerialised form.
xii)	Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity	Not issued
xiii)	Commodity price risk or foreign exchange risk and hedging activities	The Company has proper system to monitor the foreign exchange exposures on regular basis and appropriate steps are taken by the management to limit the risks of adverse exchange rate movement by entering into forward contract for hedging foreign exchange exposure against exports and imports. The details of hedged and unhedged foreign currency exposure are reported at Note 37 to the financial statements for the year ended 31st March, 2016.
xiv)	Plant Locations	The Company's plants are located at following places: i) 19, Mehta Road, Badekalinagar, Budge Budge, 24 Parganas (South) - 700 137 (West Bengal); ii) Sector II, Falta Special Economic Zone, Falta, 24 Parganas (South) - 743 504 (West Bengal).

ANNEXURE I TO THE DIRECTORS' REPORT (Contd.)

xv)	Address for Correspondence	Cheviot Company Limited CIN : L65993WB1897PLC001409 24, Park Street, Magma House, (9th Floor), Kolkata - 700 016 Phone : 033 - 3291 9624/25/28 Fax : 033 - 2249 7269 Email : cheviot@chevjute.com E-voting services e-mail ID : evoting@chevjute.com Investor services e-mail ID : investorservices@chevjute.com Website : www.groupcheviot.net
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Information in respect of clause 10 (vi)

Market Price data: High, Low during 2015-2016 is given in the table below :

Month	BSE Limited	
	High (₹)	Low (₹)
April, 2015	413.90	337.60
May, 2015	565.00	358.10
June, 2015	594.90	480.10
July, 2015	665.00	538.00
August, 2015	745.00	501.50
September, 2015	565.00	470.25
October, 2015	634.75	530.00
November, 2015	1046.00	615.00
December, 2015	1070.00	900.50
January, 2016	1038.00	740.00
February, 2016	840.00	540.00
March, 2016	754.00	555.00

Information in respect of clause 10 (vii)

Stock performance of the Company in comparison to BSE Sensex (April, 2015 to March, 2016)

Month	Company' share price at BSE Limited in (₹)		BSE Sensex	
	High	Low	High	Low
April, 2015	413.90	337.60	29,094.61	26,897.54
May, 2015	565.00	358.10	28,071.16	26,423.99
June, 2015	594.90	480.10	27,968.75	26,307.07
July, 2015	665.00	538.00	28,578.33	27,416.39
August, 2015	745.00	501.50	28,417.59	25,298.42
September, 2015	565.00	470.25	26,471.82	24,833.54
October, 2015	634.75	530.00	27,618.14	26,168.71
November, 2015	1,046.00	615.00	26,824.30	25,451.42
December, 2015	1,070.00	900.50	26,256.42	24,867.73
January, 2016	1,038.00	740.00	26,197.27	23,839.76
February, 2016	840.00	540.00	25,002.32	22,494.61
March, 2016	754.00	555.00	25,479.62	23,133.18

ANNEXURE I TO THE DIRECTORS' REPORT (Contd.)**Information in respect of clause 10 (ix)****Share Transfer System**

Share transfers in physical and demat form are processed by the Registrar and Share Transfer Agent, M/s Maheshwari Datamatics 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 Practising Chartered Secretaries carries out the secretarial audit to reconcile the total admitted capital in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form and to confirm that the total listed and paid-up capital are in agreement with the aggregate number of shares. This audit is carried out in every quarter and the report is submitted to the BSE Limited.

Information in respect of clause 10 (x)

a) Distribution of Shareholding as on 31st March, 2016 :

Number of Ordinary shares held	Number of Shares	Percentage of Shareholding	Number of Shareholders/folios	Percentage of Shareholders
Up to 500	5,90,245	13.0838	7,483	95.4464
501 to 1000	1,60,016	3.5471	213	2.7169
1001 to 2000	1,15,125	2.5520	85	1.0842
2001 to 3000	69,137	1.5325	27	0.3444
3001 to 4000	36,172	0.8018	10	0.1276
4001 to 5000	26,296	0.5829	6	0.0765
5001 to 10000	59,462	1.3181	8	0.1020
10001 and above	34,54,797	76.5818	8	0.1020
Total	45,11,250	100.0000	7,840	100.0000
Physical Mode	1,65,575	3.6703	1,464	18.6735
Demat Mode	43,45,675	96.3297	6,376	81.3265

b) Shareholding Pattern as on 31st March, 2016 :

Category code	Category of shareholders	Number of shareholders	Total number of shares	As a percentage of total shares
(A)	Shareholding of Promoter and Promoter Group*			
	1. Indian	7	33,83,312	74.9972
	2. Foreign	—	—	—
	Total Shareholding of Promoter and Promoter Group	7	33,83,312	74.9972
(B)	Public Shareholding			
	1. Institutions	20	7,700	0.1707
	2. Non-institutions	7,813	11,20,238	24.8321
	Total Public Shareholding	7,833	11,27,938	25.0028
(C)	Shares held by Custodians and against which Depository Receipts have been issued			
	1. Promoter and Promoter Group	—	—	—
	2. Public	—	—	—
	Total Shares held by Custodians	—	—	—
	TOTAL (A)+(B)+(C)	7,840	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.

ANNEXURE I TO THE DIRECTORS' REPORT (Contd.)**11. CEO and CFO certification**

Mr. Harsh Vardhan Kanoria, Chairman and Managing Director, Chief Executive Officer and Mr. Madhup Kumar Patni, Chief Financial Officer of the Company provided annual certification on the financial statements and the cash flow statement to the Board in terms of Regulation 17 of the Listing Regulations.

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

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

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

As on 31st March, 2016, there are no outstanding shares of the Company lying in the demat suspense / unclaimed suspense account.

14. Other Disclosures

- There are no materially significant related party transactions between the Company and its promoters, directors or their relatives etc. that may have potential conflict with the interests of Company at large. All transactions were entered with related party in the ordinary course of business and at arm's length price with prior omnibus approval of the audit committee in line with the policy on related party transactions of the Company. Disclosures as required under AS-18 have been made in Note 46 to the financial statements for the year ended 31st March, 2016. Policy on related party transactions and other policies and code of conduct adopted by the Board are displayed on the website of the Company (www.groupcheviot.net).
- During the last three years, no penalty or stricture have been imposed on the Company by the BSE Limited or SEBI or any other statutory authority for non-compliance of any matter related to the capital markets.
- Whistle blower policy / vigil mechanism established by the Company offers appropriate protection to the whistle blowers from victimisation, harassment or disciplinary proceedings. The whistle blower(s) may also lodge their complaints / concern with the Chairman of the audit committee. No person has been denied access to the audit committee.
- Disclosure of compliance with mandatory and non-mandatory corporate governance requirements:

The Company has made compliance with corporate governance requirements as specified in Clause 49 of the Listing Agreement / Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 read with Schedule V to Listing Regulations.

- a. Mandatory requirements : The Company has complied with all mandatory requirements under the Listing Agreement / Listing Regulations.
 - b. Non-Mandatory requirements : The Chairman of the Company being an executive director, maintaining a chairman's office for non-executive Chairman is not applicable. The Company did not send half yearly declaration of financial performance to each household of shareholders since the financial results were made available in the website for public information. The Company has received unqualified financial statements during the year ended 31st March, 2016 from the auditors. The Company has not appointed separate persons to the post of Chairman and Managing Director / CEO. The internal auditors of the Company directly reports to the audit committee.
- The Company does not have any subsidiary.

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

Kolkata, 25th May, 2016

ANNEXURE I TO THE DIRECTORS' REPORT *(Contd.)***Declaration on compliance with Company's Code of Conduct as required under SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

I hereby declare that to the best of my knowledge and belief, all the members of Board of Directors and senior management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended 31st March, 2016.

Kolkata, 25th May, 2016

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

Auditors' Certificate on Compliance with the conditions of Corporate Governance**To the Members of Cheviot Company Limited**

We have examined the compliance of conditions of corporate governance by Cheviot Company Limited, ('the Company') for the year ended 31st March, 2016, as stipulated in Clause 49 of the listing agreement of the Company with the BSE Limited, for the period from 1st April, 2015 to 30th November, 2015, and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period from 1st December, 2015 to 31st March, 2016.

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

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

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

P-21/22, Radhabazar Street,
Kolkata - 700 001
Dated the 25th day of May, 2016

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

ANNEXURE II TO THE DIRECTORS' REPORT**FORM NO. MGT - 9****Extract of annual return as on the financial year ended on 31st March, 2016**

[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 : 033 - 3291 9624/25/28 Fax Number : 033 - 2249 7269 / 2217 2488 Email ID: cheviot@chevjute.com
vi)	Whether listed company or not	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Maheshwari Datamatics Private Limited 6, Mangoe Lane, (2nd Floor), Kolkata - 700 001 Phone : 033-2243 5029 / 5809 Fax : 033-2248 4787 E-mail ID : mdpldc@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl. No	Name and Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Harsh Investments Private Limited 24, Park Street, Magma House, 9th Floor, Kolkata - 700 016	U28993WB1971PTC028158	HOLDING	57.0592	2(46)

ANNEXURE II TO THE DIRECTORS' REPORT (Contd.)**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Share Holding**

Category of Shareholders		No. of Shares held at the beginning of the year (As on 1st April, 2015)				No. of Shares held at the end of the year (As on 31st March, 2016)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
1)	Indian									
a)	Individuals/HUF	7,99,181	-	7,99,181	17.7153	7,99,181	-	7,99,181	17.7153	-
b)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	25,84,131	-	25,84,131	57.2819	25,84,131	-	25,84,131	57.2819	-
d)	Banks/FI	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	33,83,312	-	33,83,312	74.9972	33,83,312	-	33,83,312	74.9972	-
2)	Foreign									
a)	NRIs- Individuals	-	-	-	-	-	-	-	-	-
b)	Other- Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
d)	Banks/FI	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total shareholding of Promoters (A) = (A) (1) + (A) (2)	33,83,312	-	33,83,312	74.9972	33,83,312	-	33,83,312	74.9972	-
B.	Public Shareholding									
1)	Institutions									
a)	Mutual Funds	100	100	200	0.0044	100	100	200	0.0044	-
b)	Banks/FI	126	7,374	7,500	0.1663	126	7,374	7,500	0.1663	-
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt.(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIs	13,168	-	13,168	0.2919	-	-	-	-	(100.0000)
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	13,394	7,474	20,868	0.4626	226	7,474	7,700	0.1707	(63.1014)
2)	Non-Institutions									
a)	Bodies Corporate									
i)	Indian	1,39,440	9,121	1,48,561	3.2931	57,513	8,440	65,953	1.4620	(55.6054)
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, 2015)				No. of Shares held at the end of the year (As on 31st March, 2016)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	7,38,517	1,33,403	8,71,920	19.3277	7,78,176	1,29,364	9,07,540	20.1173	4.0852
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	33,817	-	33,817	0.7496	70,860	-	70,860	1.5707	109.5396
	c) Others (specify)									
	i) Non Resident Individual	25,410	18,578	43,988	0.9751	20,272	18,578	38,850	0.8612	(11.6805)
	ii) Foreign National	-	1,719	1,719	0.0381	-	1,719	1,719	0.0381	-
	iii) Custodian of Enemy Property	-	5,537	5,537	0.1227	5,537	-	5,537	0.1227	-
	iv) Clearing Member	1,130	-	1,130	0.0251	29,361	-	29,361	0.6508	2,498.3186
	v) Trusts	398	-	398	0.0088	418	-	418	0.0093	5.0251
	Sub-Total (B) (2)	9,38,712	1,68,358	11,07,070	24.5402	9,62,137	1,58,101	11,20,238	24.8321	1.1894
	Total Public Shareholding (B) = (B) (1) + (B) (2)	9,52,106	1,75,832	11,27,938	25.0028	9,62,363	1,65,575	11,27,938	25.0028	-
C)	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	43,35,418	1,75,832	45,11,250	100.0000	43,45,675	1,65,575	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, 2015)			Shareholding at the end of the year (As on 31st March, 2016)			% Change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Total Shares pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Total Shares pledged/encumbered to total shares	
1	Mr. Harsh Vardhan Kanoria	3,43,840	7.6218	-	3,43,840	7.6218	-	-
2	Mrs. Malati Kanoria	2,85,150	6.3209	-	2,85,150	6.3209	-	-
3	Mr. Utkarsh Kanoria	1,70,191	3.7726	-	1,70,191	3.7726	-	-
4	Harsh Investments Private Limited	25,74,081	57.0592	-	25,74,081	57.0592	-	-
5	Abhyadoot Finance and Investments Private Limited	9,000	0.1995	-	9,000	0.1995	-	-
6	Cheviot International Limited	150	0.0033	-	150	0.0033	-	-
7	Cheviot Agro Industries Private Limited	900	0.0199	-	900	0.0199	-	-
	Total	33,83,312	74.9972	-	33,83,312	74.9972	-	-

ANNEXURE II TO THE DIRECTORS' REPORT (Contd.)**iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl No.		Shareholding at the beginning of the year (As on 1st April, 2015)		Cumulative Shareholding during the year (1st April, 2015 to 31st March, 2016)	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	At the beginning of the year	There is no change in Promoter's Shareholding between 1st April, 2015 and 31st March, 2016			
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)				
	At the end of the year				

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

Sl. No.	For each of the Top Ten Shareholders	Shareholding at the beginning of the year (As on 1st April, 2015)		Cumulative Shareholding during the year (As on 31st March, 2016)			
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company		
1.	Vijay Kishanlal Kedia						
	At the beginning of the year		-	-	-		
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	20-11-2015	Market Purchase	5,734	0.1271	5,734	0.1271
		27-11-2015	Market Purchase	39,266	0.8704	45,000	0.9975
		11-12-2015	Market Purchase	3,060	0.0678	48,060	1.0653
	At the end of the year				50,000	1.1083	
2.	Arcadia Share and Stock Brokers Private Limited						
	At the beginning of the year		20	0.0004	20	0.0004	
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	24-04-2015	Market Sale	10	0.0002	10	0.0002
		01-05-2015	Market Purchase	10	0.0002	20	0.0004
		08-05-2015	Market Sale	20	0.0004	-	-
		29-05-2015	Market Purchase	10,000	0.2217	10,000	0.2217
		05-06-2015	Market Purchase	200	0.0044	10,200	0.2261
		12-06-2015	Market Sale	200	0.0044	10,000	0.2217
		19-06-2015	Market Purchase	47	0.0010	10,047	0.2227
		26-06-2015	Market Sale	47	0.0010	10,000	0.2217
		30-06-2015	Market Purchase	47	0.0010	10,047	0.2227
		03-07-2015	Market Sale	47	0.0010	10,000	0.2217
		07-08-2015	Market Purchase	50	0.0011	10,050	0.2228
		21-08-2015	Market Purchase	50	0.0011	10,100	0.2239
		30-09-2015	Market Sale	50	0.0011	10,050	0.2228
		06-11-2015	Market Purchase	25	0.0006	10,075	0.2233
		20-11-2015	Market Purchase	432	0.0096	10,507	0.2329
		27-11-2015	Market Sale	50	0.0011	10,457	0.2318
		04-12-2015	Market Purchase	5	0.0001	10,462	0.2319
		11-12-2015	Market Purchase	50	0.0011	10,512	0.2330
		18-12-2015	Market Purchase	75	0.0017	10,587	0.2347
		25-12-2015	Market Purchase	75	0.0017	10,662	0.2363
	08-01-2016	Market Purchase	25	0.0006	10,687	0.2369	
	22-01-2016	Market Purchase	37	0.0008	10,724	0.2377	

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, 2015)		Cumulative Shareholding during the year (As on 31st March, 2016)	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
		29-01-2016	Market Purchase	25	0.0006	10,749	0.2383
		05-02-2016	Market Sale	92	0.0020	10,657	0.2362
		12-02-2016	Market Purchase	203	0.0045	10,860	0.2407
		19-02-2016	Market Sale	172	0.0038	10,688	0.2369
		26-02-2016	Market Purchase	144	0.0032	10,832	0.2401
		04-03-2016	Market Sale	244	0.0054	10,588	0.2347
		11-03-2016	Market Purchase	100	0.0022	10,688	0.2369
		25-03-2016	Market Sale	1	0.0000	10,687	0.2369
	At the end of the year					10,687	0.2369
3.	Rajiv Aggarwal						
	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.)	31-12-2015	Market Purchase	7,000	0.1552	7,000	0.1552
		08-01-2016	Market Purchase	3,279	0.0727	10,279	0.2279
		22-01-2016	Market Purchase	329	0.0073	10,608	0.2351
	At the end of the year					10,608	0.2351
4.	Dr. Ramesh Chimanlal Shah						
	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.)	12-06-2015	Market Purchase	3,600	0.0798	3,600	0.0798
		26-06-2015	Market Purchase	3,400	0.0754	7,000	0.1552
		16-10-2015	Market Sale	1,000	0.0222	6,000	0.1330
		23-10-2015	Market Sale	6,000	0.1330	-	-
		06-11-2015	Market Purchase	9,500	0.2106	9,500	0.2106
		13-11-2015	Market Purchase	500	0.0111	10,000	0.2217
		27-11-2015	Market Purchase	2,781	0.0616	12,781	0.2833
		08-01-2016	Market Sale	2,281	0.0506	10,500	0.2328
		15-01-2016	Market Sale	248	0.0055	10,252	0.2273
	At the end of the year					10,252	0.2273
5.	Wallfort Financial Services Limited						
	At the beginning of the year			-	-	-	-
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	18-12-2015	Market Purchase	10	0.0002	10	0.0002
		25-12-2015	Market Sale	10	0.0002	-	-
		18-03-2016	Market Purchase	10,000	0.2217	10,000	0.2217
	At the end of the year					10,000	0.2217

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, 2015)		Cumulative Shareholding during the year (As on 31st March, 2016)	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
6.	Nilay Nanubhai Doshi						
	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.)	22-05-2015	Market Purchase	80	0.0018	80	0.0018
		05-06-2015	Market Purchase	4,920	0.1091	5,000	0.1108
		30-09-2015	Market Sale	200	0.0044	4,800	0.1064
		16-10-2015	Market Purchase	200	0.0044	5,000	0.1108
		27-11-2015	Market Sale	400	0.0089	4,600	0.1020
		04-12-2015	Market Purchase	9	0.0002	4,609	0.1022
		18-12-2015	Market Purchase	291	0.0065	4,900	0.1086
		25-12-2015	Market Purchase	100	0.0022	5,000	0.1108
		19-02-2016	Market Purchase	2,000	0.0443	7,000	0.1552
		26-02-2016	Market Sale	303	0.0067	6,697	0.1485
		04-03-2016	Market Purchase	1,525	0.0338	8,222	0.1823
		18-03-2016	Market Sale	222	0.0049	8,000	0.1773
25-03-2016	Market Purchase	350	0.0078	8,350	0.1851		
At the end of the year					8,350	0.1851	
7	Sanjay Natvarlal Shah						
	At the beginning of the year			8,614	0.1909	8,614	0.1909
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	21-08-2015	Market Purchase	750	0.0166	9,364	0.2076
		09-10-2015	Market Purchase	500	0.0111	9,864	0.2187
		16-10-2015	Market Sale	500	0.0111	9,364	0.2076
		11-12-2015	Market Sale	148	0.0033	9,216	0.2043
At the end of the year					9,216	0.2043	
8	Mohan Lall Golechha						
	At the beginning of the year			7,698	0.1706	7,698	0.1706
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	03-04-2015	Market Sale	276	0.0061	7,422	0.1645
		10-04-2015	Market Sale	532	0.0118	6,890	0.1527
		17-04-2015	Market Purchase	33	0.0007	6,923	0.1535
		24-04-2015	Market Purchase	3,478	0.0771	10,401	0.2306
		01-05-2015	Market Sale	1,900	0.0421	8,501	0.1884
		08-05-2015	Market Purchase	2,527	0.0560	11,028	0.2445
		15-05-2015	Market Sale	169	0.0037	10,859	0.2407
		22-05-2015	Market Sale	4,322	0.0958	6,537	0.1449
		29-05-2015	Market Purchase	30	0.0007	6,567	0.1456
		12-06-2015	Market Purchase	20	0.0004	6,587	0.1460
		19-06-2015	Market Purchase	2	0.0000	6,589	0.1461
		26-06-2015	Market Sale	172	0.0038	6,417	0.1422
03-07-2015	Market Purchase	606	0.0134	7,023	0.1557		
10-07-2015	Market Purchase	50	0.0011	7,073	0.1568		

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, 2015)		Cumulative Shareholding during the year (As on 31st March, 2016)	
			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	17-07-2015	Market Purchase	219	0.0049	7,292	0.1616
	24-07-2015	Market Purchase	501	0.0111	7,793	0.1727
	31-07-2015	Market Purchase	8	0.0002	7,801	0.1729
	21-08-2015	Market Sale	568	0.0126	7,233	0.1603
	28-08-2015	Market Purchase	1,779	0.0394	9,012	0.1998
	04-09-2015	Market Purchase	552	0.0122	9,564	0.2120
	11-09-2015	Market Purchase	886	0.0196	10,450	0.2316
	30-09-2015	Market Purchase	26	0.0006	10,476	0.2322
	09-10-2015	Market Sale	165	0.0037	10,311	0.2286
	16-10-2015	Market Sale	7	0.0002	10,304	0.2284
	23-10-2015	Market Sale	169	0.0037	10,135	0.2247
	30-10-2015	Market Purchase	24	0.0005	10,159	0.2252
	06-11-2015	Market Sale	997	0.0221	9,162	0.2031
	20-11-2015	Market Sale	20	0.0004	9,142	0.2026
	04-12-2015	Market Purchase	82	0.0018	9,224	0.2045
	11-12-2015	Market Sale	1,853	0.0411	7,371	0.1634
	18-12-2015	Market Purchase	779	0.0173	8,150	0.1807
	25-12-2015	Market Sale	112	0.0025	8,038	0.1782
	31-12-2015	Market Sale	24	0.0005	8,014	0.1776
	08-01-2016	Market Purchase	261	0.0058	8,275	0.1834
	15-01-2016	Market Purchase	298	0.0066	8,573	0.1900
	22-01-2016	Market Sale	126	0.0028	8,447	0.1872
	29-01-2016	Market Sale	492	0.0109	7,955	0.1763
	05-02-2016	Market Sale	96	0.0021	7,859	0.1742
	12-02-2016	Market Purchase	43	0.0010	7,902	0.1752
	19-02-2016	Market Sale	207	0.0046	7,695	0.1706
	26-02-2016	Market Sale	250	0.0055	7,445	0.1650
	04-03-2016	Market Sale	7	0.0002	7,438	0.1649
	11-03-2016	Market Purchase	49	0.0011	7,487	0.1660
	18-03-2016	Market Sale	202	0.0045	7,285	0.1615
	25-03-2016	Market Purchase	114	0.0025	7,399	0.1640
	31-03-2016	Market Purchase	144	0.0032	7,543	0.1672
	At the end of the year				7,543	0.1672

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, 2015)		Cumulative Shareholding during the year (As on 31st March, 2016)			
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company		
9	Bhuvnesh Kumar Bansal						
	At the beginning of the year	-	-	-	-		
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	09-10-2015	Market Purchase	1,000	0.0222	1,000	0.0222
		23-10-2015	Market Sale	1,000	0.0222	-	-
		18-03-2016	Market Purchase	7,190	0.1594	7,190	0.1594
	At the end of the year			7,190	0.1594		
10	Manish Poddar HUF						
	At the beginning of the year	6,000	0.133	6,000	0.1330		
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	NIL					
	At the end of the year			6,000	0.1330		

v) Shareholding of Directors and Key Managerial Personnel :

Sl No.	For each of the Directors and KMP	Shareholding at the beginning of the year (As on 1st April, 2015)		Cumulative Shareholding during the year (As on 31st March, 2016)	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Mr. Harsh Vardhan Kanoria, Chairman and Managing Director				
	At the beginning of the year	3,43,840	7.6218	3,43,840	7.6218
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	3,43,840	7.6218	3,43,840	7.6218
2	Mrs. Malati Kanoria, Non-Executive Director				
	At the beginning of the year	2,85,150	6.3209	2,85,150	6.3209
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	2,85,150	6.3209	2,85,150	6.3209
3	Mr. Nawal Kishore Kejriwal, Wholetime Director				
	At the beginning of the year	300	0.0067	300	0.0067
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	300	0.0067	300	0.0067
4	Mr. Madhup Kumar Patni, Chief Financial Officer				
	At the beginning of the year	10	0.0002	10	0.0002
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	10	0.0002	10	0.0002
5	Mr. Aditya Banerjee, Company Secretary				
	At the beginning of the year	10	0.0002	10	0.0002
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	10	0.0002	10	0.0002

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

ANNEXURE II TO THE DIRECTORS' REPORT (Contd.)

(₹ In Lakhs)

V INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
Indebtedness at the beginning of the financial year (1st April, 2015)				
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
Total (i+ii+iii)	1,422.75	-	-	1,422.75
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	163.51	-	-	163.51
Net Change	(163.51)	-	-	(163.51)
Indebtedness at the end of the financial year (31st March, 2016)				
i) Principal Amount	1,259.24	-	-	1,259.24
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,259.24	-	-	1,259.24

VI Remuneration of directors and key managerial personnel**A Remuneration to managing director, wholetime director and/or Manager :**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Harsh Vardhan Kanoria, Chairman and Managing Director, CEO	Mr. Nawal Kishore Kejriwal, Wholetime Director	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	27.63	21.71	49.34
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	12.71	1.72	14.43
	(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	213.00	15.00	228.00
5.	Others, please specify			
	(Retiral Benefits)	13.15	2.06	15.21
	Total (A)	266.49	40.49	306.98
	Ceiling as per the Act	₹ 533.39 (being 10% 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)

B. Remuneration to other directors :

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount	
		Mr. Parag Keshar Bhattacharjee	Mr. Padam Kumar Khaitan	Mr. Sushil Dhandhania	Mr. Navin Nayar	Mrs. Malati Kanoria		
1.	Independent Directors							
	Fee for attending board/ committee meetings	0.25	0.10	0.15	0.20	-	0.70	
	Commission	4.00	4.00	4.00	4.00	-	16.00	
	Others, please specify	-	-	-	-	-	-	
	Total (1)	4.25	4.10	4.15	4.20	-	16.70	
2.	Other non-executive Directors							
	Fee for attending board/ committee meetings	-	-	-	-	0.25	0.25	
	Commission	-	-	-	-	4.00	4.00	
	Others, please specify	-	-	-	-	-	-	
	Total (2)	-	-	-	-	4.25	4.25	
	Total (B) = (1 + 2)	4.25	4.10	4.15	4.20	4.25	20.95	
	Total Managerial Remuneration (A + B)						327.93	
	Overall Ceiling as per the Act	₹ 586.72 (being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)						

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

Sl. No.	Particulars of Remuneration	Key managerial personnel		Total Amount
		CFO	Company Secretary	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	19.45	11.90	31.35
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.96	0.56	1.52
	(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	-	-	-
	- others, specify	-	-	-
5.	Others, please specify	-	-	-
	(Retiral Benefits)	3.50	0.92	4.42
	Total (C)	23.91	13.38	37.29

ANNEXURE II TO THE DIRECTORS' REPORT (Contd.)**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :**

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY 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) Replacement of old shuttle looms with latest automated looms; (ii) Modification of conventional spinning frames; (iii) Replacement of conventional tube lights with LED 20W tube lamps; (iv) Use of small capacitor banks to achieve better power factor; (v) Replacement of motors in spinning frames.
(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 switched its source of power supply from CESC Supply Line to its own 3.14 MW Captive Power Plant running on HFO oil from 1st January, 2016; (ii) Optimum use of natural day light and safelux system to illuminate factory premises.
(iii) The capital investment on energy conservation equipments	No capital investment on energy conservation equipment was made during the year under review.

B. Technology Absorption

(i) The efforts made towards technology absorption	The Company continued its efforts to identify latest available technologies beneficial for the Jute Industry to replace old machines with the latest automated machines.
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution	Improvement in quality of product and operational efficiency.
(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: ₹ 10,889.02
(ii) Foreign exchange outgo in terms of actual outflow: ₹ 3,644.31

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

Kolkata, 25th May, 2016

ANNEXURE IV TO THE DIRECTORS' REPORT

(₹ in Lakhs)

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

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs :			In accordance with the Company's CSR policy the CSR activities were undertaken during the year 2015-16 in the field of promoting education and health care. The CSR Policy is available on Company's website (www.groupcheviot.net).			
2.	The Composition of the CSR Committee :			The present members of the CSR Committee consists of: 1. Mrs. Malati Kanoria (Non-Executive Director) – Chairperson 2. Mr. Padam Kumar Khaitan (Independent Director) – Member 3. Mr. Sushil Dhandhanian (Independent Director) – Member			
3.	Average net profit of the Company for last three financial years :			₹ 3,638.84			
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) :			₹ 72.78			
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 :			₹ 72.78 ₹ NIL			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Project or activity identified	Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013, as amended)	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program-wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads :	Cumulative expenditure up to the reporting period	Amount spent : Direct or through implementing agency
5a.	For promoting education	Cl. (ii) Education	1. Other 2. Harni, Vadodara, Gujarat, India	40.00	40.00*	40.00	Through Implementing Agency : Jan Priya Trust
5b.	For promoting education and healthcare	Cl. (ii) Education Cl. (i) Health care	1. Local Area 2. Gangarampur, D.H. Road, 24 Parganas (South), West Bengal, India	10.00	10.00*	10.00	Through Implementing Agency : Ramakrishna Sarada Mission, Gangarampur
5c.	For promoting education	Cl. (ii) Education	1. Local Area 2. Budge Budge, 24 Parganas (South), West Bengal, India	23.00	23.27*	23.27	Direct
Total				73.00	73.27	73.27	
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.

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

Malati Kanoria
Chairperson
CSR Committee
DIN: 00253241

ANNEXURE V TO THE DIRECTORS' REPORT

Disclosure of remuneration policy and criteria for determining qualifications, positive attributes, independence of a director

A. Remuneration Policy

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

2. Policy principles

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

3. Remuneration to directors

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

- (a) Remuneration to executive directors

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

- (b) Remuneration to non-executive directors

Non-executive directors and independent directors shall be paid sitting fee for every meeting of the Board of directors attended by them as member. In addition, they shall be paid commission up to an aggregate amount not exceeding 1% of the net profits of the company for the year. The amount of commission shall be determined by the Board based on their attendance, time and effort devoted and any other contribution to the organisation.

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

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

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

KMP and SMP at the time of appointment would require approval of Board.

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

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

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

1. Qualifications :-

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

2. Positive attributes :-

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

3. Independence :-

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

- To ensure that personal interest do not conflict with interest of the Company;
- To take utmost care and diligence in exercising the powers attached to the office in performance of the duties;
- To act in accordance with the highest standards of personal and professional integrity & 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 judgments and actions in respect of all decisions taken by the Board;
- To ensure that confidential information acquired in the course of work is disclosed only if permitted by the Company or in accordance with requirements of law.

ANNEXURE VI TO THE DIRECTORS' REPORT

(₹ in Lakhs)

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

(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year :			
	Directors		Ratio	
	Mr. Harsh Vardhan Kanoria, Chairman and Managing Director, Chief Executive Officer		188:1	
	Mr. Nawal Kishore Kejriwal, Wholetime Director		29:1	
	Mr. Parag Keshar Bhattacharjee, Independent Director		3:1	
	Mr. Navin Nayar, Independent Director		3:1	
	Mr. Sushil Dhandhanania, Independent Director		3:1	
	Mr. Padam Kumar Khaitan, Independent Director		3:1	
	Mrs. Malati Kanoria, Non Executive Director		3:1	
(ii)	The percentage increase in remuneration of each director, chief financial officer, chief executive officer, company secretary in the financial year :			
	Directors / Key Managerial Personnel		% Increase / (Decrease)	
	Mr. Harsh Vardhan Kanoria, Chairman and Managing Director, Chief Executive Officer		44%	
	Mr. Nawal Kishore Kejriwal, Wholetime Director		0%	
	Mr. Parag Keshar Bhattacharjee, Independent Director		1%	
	Mr. Navin Nayar, Independent Director		0%	
	Mr. Sushil Dhandhanania, Independent Director		-1%	
	Mr. Padam Kumar Khaitan, Independent Director		-1%	
	Mrs. Malati Kanoria, Non Executive Director		4%	
	Mr. Madhup Kumar Patni, Chief Financial Officer		14%	
Mr. Aditya Banerjee, Company Secretary		20%		
(iii)	The percentage increase in the median remuneration of employees in the financial year :			7%
(iv)	The number of permanent employees on the rolls of Company : (as on 31st March, 2016)			4168 employees
(v)	The explanation on the relationship between average increase in remuneration and Company performance :			
	During the year under review, the Company has reported an increase of more than 94% in its operating profit. Due to the better performance of the Company, the average increase in remuneration to all employees including managerial personnel was higher around 13%.			
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company :			
	Aggregate remuneration of all key managerial personnel (KMPs) in FY 2015-16			₹ 344.27
	Profit before Tax (PBT) in FY 2015-16			₹ 5,098.30
	Remuneration of KMPs (as % of overall performance of the Company)			6.75
(vii)	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 :			
		As at 31st March, 2016	As at 31st March, 2015	Variation
	Market Capitalisation	₹ 32,458.44	₹ 15,252.54	₹ 17,205.90
	Price Earnings Ratio	8.90	4.41	4.49
		As at 31st March, 2016	Last IPO on 24th January, 1995	Bonus Issue adjustment ^
	Market Price (In ₹)	719.50	70.00	46.67
^ Adjusted for 2 : 1 bonus issue on 23rd September, 2006.				
(viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :			
	The average percentile increase made in the salaries of employees other than the managerial personnel of the Company in the year under review was around 12%. Remuneration to managerial personnel have increased by around 36% mainly on account of increase 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.			

ANNEXURE VI TO THE DIRECTORS' REPORT (Contd.)

(₹ in Lakhs)

(ix)	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company :			
	Name of Key Managerial Personnel	Remuneration	Profit Before Tax (PBT)	% of PBT
	Mr. Harsh Vardhan Kanoria, Chairman and Managing Director, Chief Executive Officer	₹ 266.49	₹ 5,098.30	5.23%
	Mr. Nawal Kishore Kejriwal, Wholetime Director	₹ 40.49		0.79%
	Mr. Madhup Kumar Patni, Chief Financial Officer	₹ 23.91		0.47%
Mr. Aditya Banerjee, Company Secretary	₹ 13.38	0.26%		
(x)	The key parameters for any variable component of remuneration availed by the directors :			
	Commission is the variable component of remuneration availed by the directors. Net profits for the year is the key parameter in determining the amount of commission payable to each director.			
(xi)	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 :			
	No employee received remuneration in excess of the highest paid director, being the Chairman and Managing Director of the Company.			
(xii)	Affirmation that the remuneration is as per the remuneration policy of the Company :			
	The Company affirms that the remuneration paid to employees, who are covered under Remuneration Policy is in accordance with the Remuneration Policy of the Company.			

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	₹ 266.49	Contractual basis	B. Com., 42 Years	1st April, 1981	60	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, provision for gratuity, commission on net profit, insurance premiums and value of certain perquisites evaluated on the basis of Income Tax Act and Rules.

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

Kolkata, 25th May, 2016

ANNEXURE VII TO THE DIRECTORS' REPORT

Form No. MR – 3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[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, 2016 ("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, 2016 according to the provisions of :

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the audit period);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the audit period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the audit period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client; (Not applicable to the Company during the audit period);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the audit period);
 - (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (Not Applicable to the Company during the audit period);
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations/guidelines/circulars issued by SEBI from time to time, to the extent applicable.

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

- (a) The Jute Manufactures Cess Act, 1983 and the rules made thereunder;
- (b) Jute & Jute Textiles Control Orders 2000 & 2016 (as applicable) issued under Essential Commodities Act, 1955;
- (c) Indian Boilers Act, 1923 and the rules made thereunder;
- (d) The Special Economic Zones Act, 2005 and the rules made thereunder.

ANNEXURE VII TO THE DIRECTORS' REPORT (Contd.)

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

- (i) Secretarial Standards on meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India, effective from 1st July, 2015.
- (ii) The Listing Agreements entered into by the Company with BSE Limited.

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

We further report that :

The Board of directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors. There has been no change in the composition of Board of directors during the period under review and the composition of Board of directors of the Company is in conformity with the provisions of the Act.

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

Decisions at the Board meetings were carried out unanimously.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has no reportable specific events, actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred to above.

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 : 14th May, 2016

"ANNEXURE – A"

To,
The Members,
CHEVIOT COMPANY LIMITED

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

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

For MR & Associates
Company Secretaries

[M R Goenka]
Partner

FCS No. : 4515
C P No. : 2551

Place : Kolkata

Date : 14th May, 2016

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CHEVIOT COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Cheviot Company Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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, 2016;
- 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, 2016, ("the Order") issued by the Central Government under Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the Order.

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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B, and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note no. 47. b to the financial statements.
 - (ii) The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

P-21/22, Radhabazar Street,
Kolkata - 700 001
Dated the 25th day of May, 2016

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

Annexure 'A' to the Independent Auditors Report

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b) There is a regular program of physical verification by the management, which in our opinion is reasonable, having regard to the size of the Company and the nature of fixed assets. No material discrepancies have been noticed in respect of the assets physically verified during the year.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) a) Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of stocks followed by the management are adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory. No material discrepancies were noticed on verification, between the physical stocks and book records, and the same have been properly dealt with in the books of account.

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(₹ in Lakhs)

- (iii) The Company has not granted any loans during the year to the parties covered in the register maintained under section 189 of the Companies Act. Accordingly the provisions of clauses (iii) (a), (b) & (c) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public during the year.
- (vi) On the basis of records produced, we are of the opinion that, prima facie, the cost records prescribed by the Central Government under section 148 (1) of the Act have been maintained by the Company. However, we are not required to carry out and have not carried out any detailed examination of such cost records.
- (vii) a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Value Added Tax, Excise Duty and Cess and any other statutory dues with the appropriate authorities and there are no undisputed statutory dues outstanding as at 31st March, 2016, for a period of more than six months from the date they became payable.
- b) According to the records of the Company, the following dues are not deposited on account of disputes pending at various forums.

Name of the Statute	Nature of dues	Amount (₹)	Year/Period to which amount relates	Forum where dispute is pending
West Bengal Sales Tax Act, 1994, West Bengal VAT Act, 2003 and Central Sales Tax Act, 1956	Sales tax and VAT	0.22	1993-94	Revision Level
		0.10	2006-07	Revision Level
		0.39	2008-09	Revision Level
		15.88	2011-12 *	Revision Level
		69.85	2012-13 **	Appeal Level
Income Tax Act, 1961	Income tax	90.12	2008-09	Appeal Level
		6.36	2009-10	Tribunal Level
		36.24	2010-11	Appeal Level
		20.38	2011-12	Appeal Level
		15.81	2012-13	Appeal Level
Wealth Tax Act, 1957	Wealth tax	115.13	2007-08	Appeal Level
		107.62	2008-09	Appeal Level
Central Excise Act, 1944	Excise duty	4,764.37	March-11-February-13	Tribunal Level
GRAND TOTAL :		5,242.47		

* Further deposited ₹ 13.07

** Further deposited ₹ 24.23

- (viii) Based on the information and explanations given to us, the Company has not defaulted during the year in repayment of loans or borrowings to any financial institution or bank.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. According to the information and explanations received, the Company has not given any guarantees for loans taken by others from bank or financial institutions.
- (x) Based on audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company.

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

P-21/22, Radhabazar Street,
Kolkata - 700 001
Dated the 25th day of May, 2016

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

Annexure - B to the Independent Auditors' Report**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Cheviot Company Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

P-21/22, Radhabazar Street,
Kolkata - 700 001
Dated the 25th day of May, 2016

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

BALANCE SHEET AS AT 31ST MARCH, 2016

(₹ in Lakhs)

Particulars	Note	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	451.48	451.48
Reserves and surplus	3	41,357.95	35,243.36
		41,809.43	35,694.84
Non-current liabilities			
Deferred tax liabilities (net)	4	106.33	108.11
Other long-term liabilities	5	8.05	10.36
		114.38	118.47
Current liabilities			
Short-term borrowings	6	1,259.24	1,402.55
Trade payables	7		
Total outstanding dues of micro enterprises and small enterprises		—	—
Total outstanding dues of creditors other than micro enterprises and small enterprises		932.54	814.15
Other current liabilities	8	454.07	278.43
Short-term provisions	9	508.71	1,447.79
		3,154.56	3,942.92
TOTAL		45,078.37	39,756.23
ASSETS			
Non-current assets			
Fixed assets	10		
Tangible assets		14,377.60	11,101.65
Intangible assets		118.65	110.13
Capital work-in-progress		80.94	0.75
Intangible assets under development		1.00	5.42
		14,578.19	11,217.95
Non-current investments	11	16,245.54	16,863.29
Long-term loans and advances	12	151.26	60.98
Other non-current assets	13	347.51	332.59
		31,322.50	28,474.81
Current assets			
Current investments	14	2,503.36	2,480.65
Inventories	15	5,928.92	4,525.86
Trade receivables	16	2,970.27	2,463.76
Cash and bank balances	17	841.14	751.45
Short-term loans and advances	18	979.06	612.77
Other current assets	19	533.12	446.93
		13,755.87	11,281.42
TOTAL		45,078.37	39,756.23

The accompanying notes 1 to 50 are an integral part of these financial statements

For and on behalf of the Board

As per our report attached
For Jain & Co.Chartered Accountants
Registration No. : 302023E
CA P. K. Jain

Partner

Membership No. 52018

Dated : 25th day of May, 2016

Harsh Vardhan Kanoria
Chairman and Managing Director,
Chief Executive Officer
DIN : 00060259CA Madhup Kumar Patni
Chief Financial OfficerNavin Nayar
Director
DIN : 00136057CS Aditya Banerjee
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

Particulars	Note	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Revenue from operations (gross)	20	34,533.22	26,846.05
Less : Jute manufacturing cess		229.42	146.52
Revenue from operations (net)		34,303.80	26,699.53
Other income	21	1,271.66	2,166.73
Total revenue		35,575.46	28,866.26
Expenses :			
Cost of materials consumed	22	19,261.23	13,306.98
Changes in inventories of finished goods and work-in-progress	23	(958.16)	209.26
Employee benefits expenses	24	5,658.84	4,678.41
Finance costs	25	81.63	86.72
Depreciation and amortisation expense	26	572.93	648.26
Other expenses	27	5,860.69	5,802.52
Total expenses		30,477.16	24,732.15
Profit before exceptional item and tax		5,098.30	4,134.11
Exceptional item :			
Provision against indirect taxes refundable written back		–	97.45
Profit before tax		5,098.30	4,231.56
Tax expenses :			
Current tax		1,453.00	749.00
Tax for earlier years (net)		(0.39)	1.10
Deferred tax		(1.78)	23.37
Profit for the year		3,647.47	3,458.09
Earnings per ordinary share (face value of ₹ 10 each) Basic & diluted (in ₹)	28	80.85	76.65

The accompanying notes 1 to 50 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 : 25th day of May, 2016

For and on behalf of the Board

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

Navin Nayar
Director
DIN : 00136057

CA Madhup Kumar Patni
Chief Financial Officer

CS Aditya Banerjee
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	5,098.30	4,231.56
Adjustments for :		
Depreciation and amortisation expense	572.93	648.26
Unrealised foreign exchange differences loss	22.61	13.47
Profit on sale of fixed assets (net)	(18.31)	(4.02)
Net gain on sale of investments	(88.74)	(991.33)
Interest income	(426.85)	(473.88)
Dividend income	(529.24)	(561.70)
Diminution in value of current investments	–	219.35
Provision for doubtful receivables	(1.34)	13.30
Finance costs	81.63	86.72
Miscellaneous receipts	(4.20)	(4.14)
Operating profit before working capital changes	4,706.79	3,177.59
Adjustments for :		
Trade receivables	(538.61)	205.24
Loans and advances and other assets	(441.86)	(412.30)
Inventories	(1,403.06)	353.83
Trade payables, other liabilities and provisions	274.93	(291.43)
Cash generated from operations	2,598.19	3,032.93
Direct taxes paid (net of refund)	(1,494.41)	(712.00)
Net cash from operating activities	1,103.78	2,320.93
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including changes in capital work-in-progress/advances)	(663.42)	(262.54)
Capital subsidy received	33.64	–
Sale of fixed assets	31.24	18.68
Purchase of investments	(17,263.68)	(9,850.35)
Sale of investments	17,947.46	7,214.99
Decrease in fixed deposits with a maturity more than 90 days	99.85	0.31
Miscellaneous receipts	3.93	3.87
Interest received	411.64	813.29
Dividend received	509.06	545.89
Net cash from/(used) in investing activities	1,109.72	(1,515.86)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long-term / current maturities of long term borrowings	(20.00)	(15.00)
(Decrease) / Increase in short term borrowings	(141.28)	113.70
Dividend paid	(1,533.82)	(676.69)
Dividend distribution tax paid	(312.26)	(115.00)
Finance costs	(62.08)	(81.59)
Net cash used in financing activities	(2,069.44)	(774.58)
Net increase in cash and cash equivalents (A+B+C)	144.06	30.49
Cash and cash equivalents (opening balance)	580.23	550.11
Effect of exchange rate changes on cash and cash equivalents	(0.28)	(0.37)
Cash and cash equivalents (closing balance)	724.01	580.23

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Notes to the Cash Flow Statement		
1. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash on hand	8.46	7.25
Balances with banks		
- in current accounts	715.55	572.98
Cash and cash equivalents (closing balance)	724.01	580.23
Add: Fixed deposit account	–	100.00
Add: Restricted cash		
Fixed deposit accounts (under lien)	2.09	0.89
Fractional bonus share account	0.44	0.44
Unpaid dividend accounts	114.60	69.89
Cash and bank balances (closing balance)	841.14	751.45
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 50 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 : 25th day of May, 2016

For and on behalf of the Board

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

Navin Nayar
Director
DIN : 00136057

CA Madhup Kumar Patni
Chief Financial Officer

CS Aditya Banerjee
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

- ii. In respect of transactions covered by forward exchange contracts, premium or discount, where there are underlying assets / liabilities, is amortised as income or expense in the Statement of Profit and Loss over the life of the contract. Further, exchange difference on such contracts i.e. difference between the exchange rate at the reporting/settlement date and the exchange rate on the date of inception/the last reporting date, is recognised as income or expense for the period.
- iii. Outstanding forward contracts for firm commitment and highly probable forecast transactions are marked to market and the 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

I. GOVERNMENT GRANTS

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

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, 2016		As at 31st March, 2015	
2. SHARE CAPITAL				
Authorised				
70,00,000 (Previous year 70,00,000) Ordinary shares of ₹ 10/- each	700.00		700.00	
Issued and Subscribed				
45,11,250 (Previous year 45,11,250) Ordinary shares of ₹ 10/- each fully paid-up	451.13		451.13	
7,000 (Previous year 7,000) Ordinary shares of ₹ 10/- each not fully paid-up and forfeited (amount originally paid-up)	0.35		0.35	
	451.48		451.48	
	No. of Shares		No. of Shares	
Reconciliation of Number of Shares				
Shares outstanding at the beginning of the year	45,11,250		45,11,250	
Shares outstanding at the end of the year	45,11,250		45,11,250	
25,74,081 shares (Previous year 25,74,081 shares) are held by the Holding Company, Harsh Investments Private Limited				
Terms / Rights attached to Ordinary shares				
The Company has only one class of Ordinary shares having a par value of ₹ 10/- per share. Each holder of Ordinary shares is entitled to one vote per share and is entitled to dividend and to participate in surplus, if any, in the event of winding up.				
	No. of Shares	%	No. of Shares	%
List of shareholders holding more than 5% shares of total number of shares issued by the Company :				
Harsh Investments Private Limited (Holding Company)	25,74,081	57.06	25,74,081	57.06
Mr. Harsh Vardhan Kanoria	3,43,840	7.62	3,43,840	7.62
Mrs. Malati Kanoria	2,85,150	6.32	2,85,150	6.32

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
3. RESERVES AND SURPLUS		
Capital Reserve		
As per last Balance Sheet	0.24	0.24
Capital Redemption Reserve		
As per last Balance Sheet	9.92	9.92
Securities Premium Account		
As per last Balance Sheet	1,242.50	1,242.50
Revaluation Reserve		
As per last Balance Sheet	6,697.69	6,752.99
Add : Increase on revaluation made as on 31st March 2016 (Refer Note 29)	3,390.16	–
	10,087.85	6,752.99
Less : Transfer to general reserve on account of depreciation adjustment	–	(37.57)
Less : Transfer to general reserve towards current year depreciation	(17.42)	(17.47)
Less : Transfer to general reserve on disposal of fixed assets	(1.66)	(0.26)
	10,068.77	6,697.69
Special Economic Zone Re-investment Reserve Account (for claiming deduction u/s 10AA of the Income Tax Act, 1961)		
As per last Balance Sheet	702.13	544.94
Add : Transfer from surplus out of profit for the year	25.00	350.00
	727.13	894.94
Less : Utilised during the year transfer to general reserve	98.87	192.81
	628.26	702.13
General Reserve		
As per last Balance Sheet	26,055.81	23,767.06
Less : Depreciation adjustment for change in useful lives in previous year (net of deferred tax ₹ 36.97)	–	109.36
	26,055.81	23,657.70
Add : Transfer from surplus	2,650.00	2,150.00
Add : Transfer from special economic zone re-investment reserve account	98.87	192.81
Add : Transfer from revaluation reserve	19.08	55.30
	28,823.76	26,055.81
Surplus		
As per last Balance Sheet	535.07	500.02
Add : Profit for the year	3,647.47	3,458.09
	4,182.54	3,958.11
Less: Appropriations		
Interim dividend paid	766.91	–
Tax on interim dividend	156.13	–
Proposed dividend	–	766.91
Tax on proposed dividend	–	156.13
Transfer to general reserve	2,650.00	2,150.00
Transfer to special economic zone re-investment reserve account	25.00	350.00
	584.50	535.07
	41,357.95	35,243.36

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
4. DEFERRED TAX LIABILITIES (NET)		
Deferred tax liabilities		
Related to fixed assets	241.46	232.77
Deferred tax assets		
Disallowances under the Income Tax Act, 1961	135.13	124.66
Net deferred tax liabilities	106.33	108.11
5. OTHER LONG - TERM LIABILITIES		
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	–	2.79
Others		
Security deposits	8.05	7.57
	8.05	10.36
6. SHORT - TERM BORROWINGS		
Working capital loan (secured)		
From State Bank of India		
Cash credit account	816.64	1,402.55
Pre-shipment credit in foreign currency	442.60	–
	1,259.24	1,402.55
7. TRADE PAYABLES		
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	932.54	814.15
	932.54	814.15
8. OTHER CURRENT LIABILITIES		
Current maturities of long term debt *	–	20.00
Interest accrued but not due on borrowings	–	0.20
Unpaid dividends **	114.60	69.89
Other payables		
Fractional bonus share proceeds unclaimed	0.44	0.44
Advance from customers	89.60	21.75
Creditors for capital expenditure	2.04	–
Statutory dues	243.29	156.98
Security deposits	4.10	9.17
	454.07	278.43

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

* Debts from Export Import Bank of India secured by hypothecation of all movable fixed assets on first charge basis and all current assets on second charge basis and by mortgage of specific immovable properties both present and future by deposit of title deeds on first charge basis has been satisfied during the year.

** 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, 2016

(₹ in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
9. SHORT - TERM PROVISIONS		
Provision for employee benefits (Refer Note 44)		
Unencashed leave	293.03	261.83
Others		
Income and wealth tax (net of advance tax)	29.56	76.80
Proposed dividend	–	766.91
Tax on proposed dividend	–	156.13
Contingencies (Refer Note 47)	186.12	186.12
	508.71	1,447.79

10. FIXED ASSETS

PARTICULARS	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	Estimated Cost / Revalu- ation and / or Book Value as at 31st March, 2015	Additions during the Year	Increase on Revaluation (Refer Note 29)	Deductions/ Adjustments during the year	Estimated Cost / Revalu- ation and / or Book Value as at 31st March, 2016	Upto 31st March, 2015	Adjusted with general reserve	For the Year	Deduc- tions	Upto 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
Tangible Assets												
Freehold land	6,257.10	–	3,390.16	–	9,647.26	–	–	–	–	–	9,647.26	6,257.10
Leasehold land	23.16	–	–	–	23.16	3.86	–	0.24	–	4.10	19.06	19.30
Buildings	7,601.93	–	–	–	7,601.93	4,448.81	–	119.63	–	4,568.44	3,033.49	3,153.12
Plant and equipment	10,902.25	469.11	–	139.42	11,231.94	9,515.02	–	352.47	92.48	9,775.01	1,456.93	1,387.23
Electrical installations and equipments	1,391.93	3.15	–	0.66	1,394.42	1,265.99	–	27.88	0.56	1,293.31	101.11	125.94
Furniture and fixtures	338.73	–	–	–	338.73	281.36	–	17.84	–	299.20	39.53	57.37
Vehicles	141.68	19.40	–	21.57	139.51	67.10	–	28.30	17.31	78.09	61.42	74.58
Office equipments	310.17	3.69	–	1.29	312.57	283.16	–	11.85	1.24	293.77	18.80	27.01
	26,966.95	495.35	3,390.16	162.94	30,689.52	15,865.30	–	558.21	111.59	16,311.92	14,377.60	11,101.65
Capital work-in- progress	0.75	80.94	–	0.75	80.94	–	–	–	–	–	80.94	0.75
Sub Total (A)	26,967.70	576.29	3,390.16	163.69	30,770.46	15,865.30	–	558.21	111.59	16,311.92	14,458.54	11,102.40
Intangible Assets (acquired)												
Computer software	166.08	23.24	–	–	189.32	55.95	–	14.72	–	70.67	118.65	110.13
Intangible assets under development	5.42	1.00	–	5.42	1.00	–	–	–	–	–	1.00	5.42
Sub Total (B)	171.50	24.24	–	5.42	190.32	55.95	–	14.72	–	70.67	119.65	115.55
Total (A+B)	27,139.20	600.53	3,390.16	169.11	30,960.78	15,921.25	–	572.93	111.59	16,382.59	14,578.19	11,217.95
Previous Year	26,865.44	354.10	–	80.34	27,139.20	15,190.85	146.33	648.26	64.19	15,921.25	11,217.95	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

	Face Value per share/unit (₹)	As at 31st March, 2016		As at 31st March, 2015	
		Shares / Units	Amount	Shares / Units	Amount
11. NON - CURRENT INVESTMENTS					
Long Term Investments - At cost					
A. Non Trade Investments (Quoted)					
(a) Investments in Equity Instruments - Fully paid-up					
Infosys Limited	5	5,000	51.94	5,000	103.87
Reliance Communications Limited	5	10,000	32.29	38,000	122.71
Reliance Infrastructure Limited	10	2,500	38.79	10,000	155.16
(b) Investments in Preference Shares - Fully paid-up					
Zee Entertainment Enterprises Limited					
6.00% Non-Convertible Bonus Preference Shares	1	6,00,00,000	501.39	2,50,00,000	196.01
Infrastructure Leasing & Financial Services Limited					
16.46% Non-Convertible Redeemable Cumulative Preference Shares	7,500	1,360	204.00	-	-
(c) Investments in Debentures or Bonds - Fully paid-up					
Housing and Urban Development Corporation Limited					
7.83% Tax Free Bonds, Series B (Option II), 11-NOV-2026	1,00,000	200	200.00	200	200.00
8.51% Tax Free Bonds, Tranche-I, Series 2A, 25-OCT-2028	1,000	20,000	200.00	20,000	200.00
India 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 68A, 08-MAR-2017	1,00,000	-	- *	100	100.00
6.70% Tax Free Bonds, Series 68B, 08-MAR-2020	1,00,000	300	302.80	300	302.80
6.32% Tax Free Bonds, Series 73A, 20-DEC-2017	1,00,000	200	200.00	200	200.00
6.72% Tax Free Bonds, Series 73B, 20-DEC-2020	1,00,000	200	200.00	200	200.00
Indian Renewable Energy Development Agency Limited					
8.55% Tax Free Bonds, Tranche I, Series IIIA, 13-MAR-2034	1,000	40,000	400.00	40,000	400.00
National Bank for Agriculture and Rural Development					
Zero Coupon Bonds, Series BNB JAN 2019	20,000	8,500	992.66	5,575	559.99
National Highways Authority of India					
8.30% Tax Free Bonds, Option Tranche 1, Series 2 (II), 25-JAN-2027	1,000	4,945	49.45	4,945	49.45
8.50% Tax Free Bonds, Option Tranche I, Series IIA, 05-FEB-2029	1,000	40,000	400.00	40,000	400.00
7.28% Tax Free Bonds, Series - II B, 18-SEP-2030	10,00,000	20	200.26	-	-
National Housing Bank					
8.76% Tax Free Bonds, Tranche I, Series 3A, 13-JAN-2034	5,000	6,166	315.00	6,166	315.00
8.65% Tax Free Bonds, Tranche II, Series 3A, 24-MAR-2034	5,000	6,384	319.20	6,384	319.20
National Thermal Power Corporation Limited					
8.66% Tax Free Bonds, Series 3A, 16-DEC-2033	1,000	31,665	316.65	31,665	316.65
7.37% Tax Free Bonds, Series 3A, 05-OCT-2035	1,000	4,997	49.97	-	-
Power Finance Corporation Limited					
8.16% Tax Free Bonds, Series 80 B, 25-NOV-2026	1,00,000	400	400.00	400	400.00
7.35% Tax Free Bonds, Series 3A, 17-OCT-2035	1,000	2,567	25.67	-	-
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 ...			6,968.27		6,312.40

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

	Face Value per share/unit (₹)	As at 31st March, 2016		As at 31st March, 2015	
		Shares / Units	Amount	Shares / Units	Amount
Brought Forward ...			6,968.27		6,312.40
(d) Investments in Mutual Funds					
Birla Sun Life Mutual Fund					
Birla Sun Life Fixed Term Plan - Series EN - Growth	10	-	- *	20,00,000.000	200.00
Goldman Sachs Mutual Fund					
Goldman Sachs Nifty Exchange Traded Scheme	10	-	-	72,000.000	500.15
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
HDFC FMP 1167D January 2016 (1) Series 35 - Direct Growth	10	50,00,000.000	501.99	-	-
ICICI Prudential Mutual Fund					
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
ICICI Prudential FMP Series 77 - 1151 Days Plan S Direct Cumulative	10	20,00,000.000	200.00	-	-
Kotak Mahindra Mutual Fund					
Kotak FMP Series 181 Direct - Growth	10	30,00,000.000	300.00	-	-
L&T Mutual Fund					
L&T FMP - VII (April 1124D A) - Growth	10	-	- *	50,00,000.000	500.00
Reliance Mutual Fund					
Reliance Fixed Horizon Fund - XXIII - Series 8 - Direct Growth Plan	10	-	- *	50,00,000.000	500.00
Reliance Fixed Horizon Fund - XXIV - Series 2 - Growth Plan	10	-	- *	50,00,000.000	500.00
Reliance Capital Builder Fund II - Series A - Dividend Plan - Dividend Payout	10	30,00,000.000	300.00	30,00,000.000	300.00
Reliance Fixed Horizon Fund - XXVIII - Series 14 - Growth Plan	10	30,00,000.000	300.00	30,00,000.000	300.00
Reliance Fixed Horizon Fund - XXVIII - Series 18 - Direct - Growth Plan	10	20,00,000.000	200.00	-	-
UTI Mutual Fund					
UTI Fixed Term Income Fund Series XXII-VIII (1099 Days) - Direct Growth Plan	10	30,00,000.000	300.00	-	-
B. Non Trade Investments (Unquoted)					
(a) Investments in Equity Instruments - Fully paid-up					
Cheviot International Limited	10	20	-	20	-
Woodlands Multispeciality Hospital Limited	10	3,190	0.32	3,190	0.32
(b) Investments in Mutual Funds					
Birla Sun Life Mutual Fund					
Birla Sun Life India Reforms Fund - Dividend - Regular Plan - Payout	10	52,39,765.204	573.23	52,38,459.369	700.00
Birla Sun Life Frontline Equity Fund - Dividend - Regular Plan - Payout	10	27,42,583.223	624.47	9,71,188.087	300.00
Franklin Templeton Mutual Fund					
Franklin India High Growth Companies Fund - Dividend Payout	10	19,47,930.566	500.00	-	-
HDFC Mutual Fund					
HDFC Equity Fund - Dividend - Payout	10	17,26,932.322	978.39	26,47,605.736	1,500.00
HDFC Mid-Cap Opportunities Fund - Dividend - Payout	10	7,67,548.068	201.57	30,40,334.753	800.00
HDFC Gilt Fund Long Term - Growth	10	7,03,687.675	200.00	7,03,687.675	200.00
Carried Over ...			13,148.24		13,713.29

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

	Face Value per share/unit (₹)	As at 31st March, 2016		As at 31st March, 2015	
		Shares / Units	Amount	Shares / Units	Amount
Brought Forward ...			13,148.24		13,713.29
ICICI Prudential Mutual Fund					
ICICI Prudential Gilt Fund Investment Plan PF - Option Regular Plan	10	7,28,175.665	200.00	7,28,175.665	200.00
ICICI Prudential Value Discovery Fund - Regular Plan - Dividend Payout	10	16,02,728.191	500.00	3,48,675.035	100.00
ICICI Prudential Dynamic - Regular Plan - Dividend Payout	10	21,52,217.612	414.07	-	-
IDFC Mutual Fund					
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
JM Arbitrage Advantage Fund - Direct - Annual Bonus option - Bonus units	10	9,54,993.397	96.91	-	-
J.P. Morgan Mutual Fund					
JPMorgan India Active Bond Fund - Institutional Plan - Growth Option	10	-	-	49,67,808.600	500.00
JPMorgan India Government Securities Fund - Regular Plan - Growth Option	10	44,33,803.316	500.00	44,33,803.316	500.00
Reliance Mutual Fund					
Reliance Equity Opportunities Fund - Dividend Plan - Dividend Payout	10	29,06,451.846	886.32	20,33,713.943	700.00
SBI Mutual Fund					
SBI PSU Fund - Regular Plan - Dividend Payout	10	-	-	9,91,099.923	100.00
SBI Blue Chip Fund - Direct Plan - Dividend Payout	10	26,39,349.013	500.00	-	-
UTI Mutual Fund					
UTI - NIFTY Index Fund - Dividend Payout	10	-	-	21,28,795.984	350.00
Total Non-Current Investments			16,245.54		16,863.29
Aggregate Book value of Quoted Investments			10,070.26		10,212.97
Market value of Quoted Investments			11,502.39		11,435.75
Aggregate Book value of Unquoted Investments			6,175.28		6,650.32

* Current year figures have been shown in current investments (Refer Note 14) under the head of current maturities of long-term investments as these are maturing within 12 months from the reporting date.

	As at 31st March, 2016	As at 31st March, 2015
12. LONG - TERM LOANS AND ADVANCES		
(unsecured, considered good)		
Capital advances	76.57	7.51
Security deposits	49.09	34.12
Other loans and advances		
Prepaid expenses	8.92	5.84
Advance to employees	16.68	13.51
	151.26	60.98

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
13. OTHER NON - CURRENT ASSETS		
Others		
Fixed deposit accounts with bank (maturity over 12 months) *	299.55	300.60
Interest accrued on fixed deposits	0.53	0.39
Indirect taxes refundable [net of provision ₹ 7.48 (Previous year ₹ 7.48)]	41.66	25.83
Advance payment of tax and refund due	5.77	5.77
	347.51	332.59

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

	Face Value per unit (₹)	As at 31st March, 2016		As at 31st March, 2015	
		Units	Amount	Units	Amount
14. CURRENT INVESTMENTS					
A. Current maturities of Long-Term Investments (At cost)					
(a) Investments in Debentures or Bonds - Fully paid-up (Quoted)					
Indian Railway Finance Corporation Limited 6.30% Tax Free Bonds, Series 68 A, 08-MAR-2017	1,00,000	100	100.00 *	-	-
India Infoline Finance Limited Nifty Linked Debenture 04-JUL-2016	1,00,000	160	203.36 *	-	-
(b) Investments in Mutual Funds (Quoted)					
Birla Sun Life Mutual Fund					
Birla Sun Life Fixed Term Plan - Series FE - Growth	10	-	-	20,00,000.000	200.00
Birla Sun Life Fixed Term Plan - Series EN - Growth	10	20,00,000.000	200.00 *	-	-
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
L&T Mutual Fund					
L&T FMP - VII (April 1124D A) - Growth	10	50,00,000.000	500.00 *	-	-
Reliance Mutual Fund					
Reliance Fixed Horizon Fund - XXIII - Series 8 - Direct Growth Plan	10	50,00,000.000	500.00 *	-	-
Reliance Fixed Horizon Fund - XXIV - Series 2 - Growth Plan	10	50,00,000.000	500.00 *	-	-
Total current maturities of Long-Term Investments			2,003.36		900.00
B. Other Current Investments (At lower of cost and fair value)					
Investments in Mutual Funds (Unquoted)					
Birla Sun Life Mutual Fund					
Birla Sun Life Cash Plus - Growth - Direct Plan	100	2,05,694.450	500.00	4,45,875.662	1,000.00
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 ...			500.00		1,329.25

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

	Face Value per unit (₹)	As at 31st March, 2016		As at 31st March, 2015	
		Units	Amount	Units	Amount
Brought Forward ...			500.00		1,329.25
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
Total Other Current Investments			500.00		1,580.65
Total Current Investments			2,503.36		2,480.65
Aggregate Book value of Quoted Investments			2,003.36		900.00
Market value of Quoted Investments			2,537.57		1,144.33
Aggregate Book value of Unquoted Investments			500.00		1,580.65

* Represents transfer from non-current investments (Refer Note 11) as these are maturing within 12 months from the reporting date.

	As at 31st March, 2016	As at 31st March, 2015
15. INVENTORIES		
Raw materials	3,174.57	2,714.79
Work-in-progress	610.38	392.00
Finished goods [includes in transit ₹ 52.93 (Previous year ₹ 229.03)]	1,920.30	1,180.52
Stores and spares [includes in transit ₹ 3.83 (Previous year ₹ Nil)]	223.07	237.92
Loose tools	0.60	0.63
	5,928.92	4,525.86

	As at 31st March, 2016	As at 31st March, 2015
16. TRADE RECEIVABLES		
(unsecured, considered good, unless otherwise stated)		
Outstanding for a period exceeding six months		
Considered good	94.52	1.36
Doubtful	11.96	-
Less : Provision for doubtful receivables	(11.96)	-
Other receivables		
Considered good	2,875.75	2,462.40
Doubtful	-	13.30
Less : Provision for doubtful receivables	-	(13.30)
	2,970.27	2,463.76

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
17. CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash on hand	8.46	7.25
Balances with banks in current accounts	715.55	572.98
	724.01	580.23
Other bank balances		
Fixed deposit accounts *	2.09	100.89
Fractional bonus share account	0.44	0.44
Unpaid dividend accounts	114.60	69.89
	117.13	171.22
	841.14	751.45

- * Under lien ₹ 2.09 (Previous year ₹ 0.89) towards margin money.
Fixed deposit accounts with maturity of more than 12 months amounting to ₹ 299.55 (Previous year ₹ 300.60) being non-current has been shown under the head other non-current assets (Refer Note 13).

18. SHORT - TERM LOANS AND ADVANCES		
(unsecured, considered good)		
Others		
Balances with customs, excise etc.	0.01	–
Excise duty paid under protest *	110.73	110.73
Indirect taxes paid against demand	185.65	–
Excess of plan assets over defined benefit obligation (Refer Note 44)	383.38	312.63
Prepaid expenses	143.39	109.28
Other loans and advances **	155.90	80.13
	979.06	612.77

- * 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.

19. OTHER CURRENT ASSETS		
Interest accrued on investments, fixed and security deposits	107.45	95.65
Government grants receivable	368.29	218.53
Indirect taxes refundable	5.92	103.33
Other receivables *	51.46	29.42
	533.12	446.93

- * Includes primarily amount receivable against dividend, insurance claims, statutory dues.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
20. REVENUE FROM OPERATIONS		
Sale of products (Jute goods)	33,880.62	26,496.62
Other operating revenues	652.60	349.43
Revenue from operations (gross)	34,533.22	26,846.05
Less : Jute manufacturing cess	229.42	146.52
Revenue from operations (net)	34,303.80	26,699.53

21. OTHER INCOME		
Interest income		
On long-term investments	394.16	434.73
On fixed deposits	30.00	37.18
Others	2.69	1.97
	426.85	473.88
Dividend income		
On long-term investments	500.55	324.25
On current investments	28.69	237.45
	529.24	561.70
Net gain on sale of investments		
On long-term investments	49.39	951.72
On current investments	39.35	39.61
	88.74	991.33
Net gain on foreign currency transactions and translation (other than considered as finance cost)	194.40	121.74
Other non-operating income	32.43	18.08
	1,271.66	2,166.73

22. COST OF MATERIALS CONSUMED		
Raw jute	17,972.08	12,016.66
Jute yarn	1,285.53	1,288.15
Others	3.62	2.17
	19,261.23	13,306.98

23. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
Closing stock		
Finished goods	1,920.30	1,180.52
Work-in-progress	610.38	392.00
	2,530.68	1,572.52
Opening stock		
Finished goods	1,180.52	1,349.75
Work-in-progress	392.00	432.03
	1,572.52	1,781.78
	(958.16)	209.26

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
24. EMPLOYEE BENEFITS EXPENSES		
Salaries, wages, bonus etc.	5,010.53	4,091.83
Contribution to provident and other funds	573.65	513.62
Staff welfare expenses	74.66	72.96
	5,658.84	4,678.41
25. FINANCE COSTS		
Interest expenses	75.58	76.69
Other borrowing costs	11.99	10.03
Applicable net gain on foreign currency transactions and translation	(5.94)	—
	81.63	86.72
26. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation and amortisation (Refer Note 10)	572.93	648.26
	572.93	648.26
27. OTHER EXPENSES		
Consumption of stores and spare parts (Refer Note 34)	1,847.17	1,572.40
Power and fuel	1,513.45	1,651.77
Processing charges	410.17	197.80
Rent	64.24	42.14
Rates and taxes	26.48	20.02
Repairs to buildings	419.46	145.30
Repairs to machinery	127.61	108.89
Repairs to others	390.25	327.43
Insurance	71.33	72.59
Expenditure towards CSR (Refer Note 35)	73.27	75.00
Delivery charges	450.90	834.33
Jute manufacturing cess (Refer Note 36)	39.49	118.47
Miscellaneous expenses	418.51	396.50
Diminution in value of current investments	—	219.35
Provision for doubtful receivables	(1.34)	13.30
Payment to auditors		
Audit fees	5.15	3.93
For other services	4.21	3.01
For reimbursement of expenses	0.34	0.29
	5,860.69	5,802.52

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
28. EARNINGS PER SHARE IN ACCORDANCE WITH ACCOUNTING STANDARD (AS) - 20		
Net Profit after tax as per Statement of Profit and Loss	3,647.47	3,458.09
Weighted average number of ordinary shares	45,11,250	45,11,250
Basic and diluted earnings per ordinary share (in ₹)	80.85	76.65
Face value per ordinary share (in ₹)	10.00	10.00

29. Based on the valuation report by a Chartered Engineer, an external valuer, certain fixed assets of the Company's DTA unit 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. Freehold land has further been revalued at ₹ 9,647.26 on 31st March, 2016, resulting in increase in the net book value of the said asset by ₹ 3,390.16 with a corresponding credit to the revaluation reserve account;
- 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.

30. Capital commitments not provided for at the date of this balance sheet are estimated at ₹ 893.86 (Previous year ₹ 1.27) in respect of tangible assets and ₹ 6.36 (Previous year ₹ 9.03) in respect of intangible assets after netting of advances paid.

31. Computer software comprising of Oracle ERP Software, considered material, has a carrying amount of ₹ 72.08 (Previous year ₹ 81.19), as on 31st March, 2016, to be amortised over the remaining period of seven years and eleven months.

32. 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.

33. Due to insolvency of a party, appearing under trade receivable, claim had been lodged with the Official Administrator, appointed by the Court, for outstanding amount of Euro 100612.56 and for related expenses incurred. The Company has received claim against said receivable to the extent of 80% of the original Invoice amount from ECGC Ltd. under its buyer exposure policy, credited under trade payable, with a contingency that out of the amount received from the party, 80% thereof is reimbursable to ECGC Ltd. Accordingly, provision for doubtful receivables, has been made in respect of outstanding amount as on 31st March, 2016, net of amount recovered from ECGC Ltd.

34. Total stores and spare parts consumed during the year are ₹ 2,310.43 (Previous year ₹ 1,869.21) and include ₹ 463.26 (Previous year ₹ 296.81) debited to relevant expense heads.

35. 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 ₹ 72.78 (Previous year ₹ 74.64).
- Amount spent during the year on :

	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	–	–	–
(ii) On purposes other than (i) above	73.27	–	73.27

- Amount spent during the year includes an amount of ₹ 40.00 (Previous year ₹ 65.00) contributed to Jan Priya Trust, a registered trust over which a key management person and his relatives have a significant influence.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

36. Jute manufacturing cess, debited under other expenses in Note 27, includes increase / (decrease) in cess, on account of difference between the closing and opening stock of finished goods amounting to ₹ 4.89 [Previous year (₹ 3.24)].
37. 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 ₹ 540.84 (Previous year ₹ 72.97).
 - Forward cover for firm commitment in respect of future sales against export order as at balance sheet date is ₹ 1,369.96 (Previous year ₹ 148.39). The mark to market gain thereon amounting to ₹ 24.95 (Previous year ₹ 26.08) 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 ₹ 619.23 (Previous year ₹ 1,215.24).

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
38. VALUE OF IMPORTS ON CIF BASIS		
Raw materials	3,031.15	1,955.48
Components and spare parts	110.43	137.53
Capital goods	385.33	31.06
	3,526.91	2,124.07

39. EXPENDITURE IN FOREIGN CURRENCY		
Interest	6.32	–
Travelling	20.53	22.80
Delivery charges	31.64	81.78
Others	16.39	21.55
	74.88	126.13

40. EARNINGS IN FOREIGN EXCHANGE		
F.O.B. value of exports	10,259.06	11,312.46
	10,259.06	11,312.46

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	Value	%	Value	%
41. VALUE OF RAW MATERIALS, SPARE PARTS AND COMPONENTS CONSUMED				
Raw materials				
Imported	3,150.57	16.36	1,995.10	14.99
Indigenous	16,110.66	83.64	11,311.88	85.01
	19,261.23	100.00	13,306.98	100.00
Spare parts and components				
Imported	112.40	4.86	139.06	7.44
Indigenous	2,198.03	95.14	1,730.15	92.56
	2,310.43	100.00	1,869.21	100.00

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
42. PARTICULARS RELATING TO DIVIDEND PAID TO NON-RESIDENT SHAREHOLDERS		
FINAL		
Number of non-resident shareholders *	112	90
Number of shares held by them	48,646	62,543
Dividend relating to the year	2014-15	2013-14
Amount of dividend (₹)	8.27	9.38
Amount remitted in foreign currency (₹)	—	—
INTERIM		
Number of non-resident shareholders *	160	—
Number of shares held by them	45,651	—
Dividend relating to the year	2015-16	—
Amount of dividend (₹)	7.76	—
Amount remitted in foreign currency (₹)	—	—

* Includes shares held by custodians of enemy property

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

Government grants received by the Company comprise of capital incentive of ₹ 46.15 (Previous year ₹ 10.31), export incentives of ₹ 604.57 (Previous year ₹ 303.03) and other revenue grants of ₹ 8.36 (Previous year ₹ 2.88).

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

The Company has during the year recognised an expense of ₹ 573.65 (Previous year ₹ 513.62) towards defined contribution plans.

Out of the total contribution, made for employees' provident fund, a sum of ₹ 78.01 (Previous year ₹ 74.60) 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, 2016

ii. Defined Benefit Plans

(₹ in Lakhs)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
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	2,417.69	2,862.02
Current service cost	214.29	202.28
Interest cost	191.36	211.19
Benefits paid	(212.57)	(519.19)
Actuarial gain	(257.58)	(338.61)
Present value of obligation, at the end of the year	2,353.19	2,417.69
b. Change in fair value of plan assets :		
Plan assets at the beginning of the year	2,730.32	2,662.23
Expected return on plan assets	209.92	215.70
Contributions by the employer	–	199.79
Actuarial gain	8.90	171.79
Benefits paid	(212.57)	(519.19)
Plan assets at the end of the year	2,736.57	2,730.32
c. Amount recognised in Balance Sheet :		
Present value of defined benefit obligation	2,353.19	2,417.69
Fair value of plan assets	2,736.57	2,730.32
Net asset recognised in Balance Sheet	383.38	312.63
d. Expenses recognised in the Statement of Profit and Loss :		
Current service cost	214.29	202.28
Interest cost	191.36	211.19
Expected return on plan assets	(209.92)	(215.70)
Net actuarial gain	(266.48)	(510.40)
Total expenses	(70.75)	(312.63)
e. Constitution of plan assets as a percentage of total plan assets :		
Government of India/Government of India guaranteed securities	18.07%	21.30%
State Government/State Government guaranteed securities	34.80%	35.03%
Bonds	37.04%	37.62%
Units of money market mutual fund	0.63%	0.45%
Units of equity linked schemes of mutual funds	1.41%	1.18%
Cash at bank and receivables (net)	8.05%	4.42%
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, 2016

(₹ in Lakhs)

f. Experience Adjustments :

	2016	2015	2014	2013	2012
1. Defined benefit obligation	2,353.19	2,417.69	2,862.02	2,736.28	2,352.72
2. Plan assets	2,736.57	2,730.32	2,662.23	2,379.29	2,000.83
3. Surplus/(Deficit)	383.38	312.63	(199.79)	(356.99)	(351.89)
4. Experience adjustments (gain)/loss on plan liabilities	16.69	46.21	(66.55)	420.66	(4.46)
5. Experience adjustments gain/(loss) on plan assets	8.90	171.79	(57.30)	(5.33)	(25.41)

g. Principal actuarial assumptions at the Balance Sheet date :

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Discount rate	8.00%	8.00%
Estimated rate of return on plan assets	8.00%	8.00%
Salary escalation	9.00%	9.00%

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

The Company is expected to contribute ₹ Nil to the gratuity fund during the year ending 31st March, 2017.

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.

45. SEGMENT REPORTING IN ACCORDANCE WITH AS - 17

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

	Within India		Outside India		Total	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
Sales (gross)	23,327.28	14,523.15	10,553.34	11,973.47	33,880.62	26,496.62
Carrying amount of segment assets	45,078.37	39,756.23	-	-	45,078.37	39,756.23
Capital expenditure	663.42	262.54	-	-	663.42	262.54

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

46. RELATED PARTY DISCLOSURE IN ACCORDANCE WITH AS - 18

A. Relationships

1. Controlling Group
 - i. Holding Company :
Harsh Investments Private Limited (HIPL)
 - ii. Others :
 - a. Abhyadoot Finance and Investments Private Limited (AFIPL)
 - b. Cheviot Agro Industries Private Limited (CAIPL)
 - c. Cheviot International Limited (CIL)
 - d. Mr. Harsh Vardhan Kanoria (Mr. H.V. Kanoria)
 - e. Mrs. Malati Kanoria (Wife of Mr. H.V. Kanoria)
 - f. Mr. Utkarsh Kanoria (Son of Mr. H.V. Kanoria)
2. Key Management Personnel
 - i. Mr. H. V. Kanoria
 - ii. Mr. N. K. Kejriwal
3. Relatives of Key Management Personnel
 - i. Mrs. Malati Kanoria (Wife of Mr. H.V. Kanoria)
 - ii. Mr. Utkarsh Kanoria (Son of Mr. H. V. Kanoria)
 - iii. Mrs. Bimla Kejriwal (Wife of Mr. N.K. Kejriwal)
4. Enterprises over which Key Management Personnel [specified in Para 2 (i) above] and relatives of Key Management Personnel [specified in Para 3 (i) & (ii) above] have significant influence.
 - i. Jan Priya Turst
 - ii. Bright & Shine Micro Products Pvt. Ltd. (BSMPPL)

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, 2016					For the year ended 31st March, 2015				
	Controlling Group	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which Key Management Personnel & relatives of Key Management Personnel as stated above have significant influence	Total	Controlling Group	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which Key Management Personnel & relatives of Key Management Personnel as stated above have significant influence	Total
Sale of goods	-	-	-	0.37	0.37	-	-	-	-	-
Jan Priya Trust	-	-	-	0.37	0.37	-	-	-	-	-
Rendering of services	4.02	-	-	0.12	4.14	4.02	-	-	0.12	4.14
CIL	2.64	-	-	-	2.64	2.64	-	-	-	2.64
CAIPL	1.20	-	-	-	1.20	1.20	-	-	-	1.20
Others	0.18	-	-	0.12	0.30	0.18	-	-	0.12	0.30
Receiving of services	-	306.98	30.80	-	337.78	-	224.72	21.80	-	246.52
Mr. H.V. Kanoria	-	266.49	-	-	266.49	-	184.65	-	-	184.65
Mr. N.K. Kejriwal	-	40.49	-	-	40.49	-	40.07	-	-	40.07
Others	-	-	30.80	-	30.80	-	-	21.80	-	21.80
Dividend paid	1,150.33	0.10	0.10	-	1,150.53	507.50	0.05	0.05	-	507.60
HIPL	875.19	-	-	-	875.19	386.11	-	-	-	386.11
Mr. H.V. Kanoria	116.91	-	-	-	116.91	51.58	-	-	-	51.58
Others	158.23	0.10	0.10	-	158.43	69.81	0.05	0.05	-	69.91
CSR expenditure	-	-	-	40.00	40.00	-	-	-	65.00	65.00
Jan Priya Trust	-	-	-	40.00	40.00	-	-	-	65.00	65.00

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

47. 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, 2016	For the year ended 31st March, 2015
PROVISION FOR CONTINGENCIES	Indirect taxes	Indirect taxes
Balance at the beginning of the year	186.12	186.12
Additional provision during the year	–	–
Provision used during the year	–	–
Provision reversed during the year	–	–
Balance at the end of the year	186.12	186.12

Provision for 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 - ₹ 82.88 (Previous year ₹ 16.49) under appeal and not acknowledged as debt, against which a sum aggregating to ₹ 46.06 has been deposited till date (Previous year ₹ Nil).
- Income Tax in dispute - ₹ 162.68 (Previous year ₹ 236.27) under appeal and not acknowledged as debt.
- Wealth Tax in dispute - ₹ 222.75 (Previous year ₹ 222.75) under appeal and not acknowledged as debt.
- Excise Duty including penalty in dispute - ₹ 4,949.99 and interest thereon (amount not yet quantified) (Previous year ₹ 2,475.00 against show cause cum demand notice) under appeal before CESTAT, being barred by limitation as per legal opinion was not acknowledged as debt and against which ₹ 185.62 has been deposited (Previous year ₹ Nil).
- Service Tax in dispute - ₹ 1.44 (Previous year ₹ 1.44) against show cause notice not acknowledged as debt, for which appropriate reply has been furnished and matter not yet adjudicated.
- Additional bonus liability for the previous year ended 31st March, 2015 amounting to ₹ 127.94 (Previous year ₹ Nil) not acknowledged by the Company on account of judicial pronouncements including interim stay granted against retrospective amendment of The Payment of Bonus Act, 1965, pending adjudication.

48. The Company is maintaining separate books of account for its different undertakings viz, DTA at Budge Budge and EOU at Falta, SEZ. Effective from 1st April 2015, operations of the Company's Captive Power Plant [CPP] unit have been combined with DTA unit since the CPP unit is not required to function as an independent unit due to completion of exemption period available under Section 80-IA of the Income Tax Act, 1961.

49. The Company had paid interim dividend of ₹ 17/- per ordinary share of the face value of ₹ 10/- each amounting to ₹ 766.91 during the year ended 31st March, 2016. No further final dividend was recommended by the Board of directors for the year ended 31st March, 2016 (Previous year - dividend of ₹ 17/- per ordinary share amounting to ₹ 766.91 was recommended).

50. 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 : 25th day of May, 2016

For and on behalf of the Board

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

Navin Nayar
Director
DIN : 00136057

CA Madhup Kumar Patni
Chief Financial Officer

CS Aditya Banerjee
Company Secretary

**CHEVIOT COMPANY LIMITED**

CIN : L65993WB1897PLC001409

Registered & Administrative Office

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

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

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

ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting of the above named Company held at The Sitaram Seksaria Auditorium of Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017 on Friday, 29th July, 2016 at 11.00 a.m.

Folio/DP ID & Client ID No. :

Name of the Member :

Number of Shares :

Name(s) of joint holder(s), if any :

Address :

Name of Proxy (in BLOCK LETTERS)

Signature of the Member/Proxy
(To be signed at the time of handing over this slip)**Members/Proxies, who come to attend the meeting, are requested to bring their copies of the Annual Report with them.****REMOTE E-VOTING PARTICULARS**

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

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

Commencement of Remote E-voting	End of Remote E-voting
Tuesday, 26th July, 2016 (10.00 a.m.)	Thursday, 28th July, 2016 (5.00 p.m.)

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

**CHEVIOT COMPANY LIMITED**

CIN : L65993WB1897PLC001409

Registered & Administrative Office

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

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

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

**PROXY FORM
FORM MGT- 11**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of The Companies (Management and Administration) Rules, 2014]

Name of the member (s) :

Registered address :

E-mail Id :

Folio No/ Client ID : DP ID :

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

(1) Name : Address :

E-mail Id : Signature : or failing him/her;

(2) Name : Address :

E-mail Id : Signature : or failing him/her;

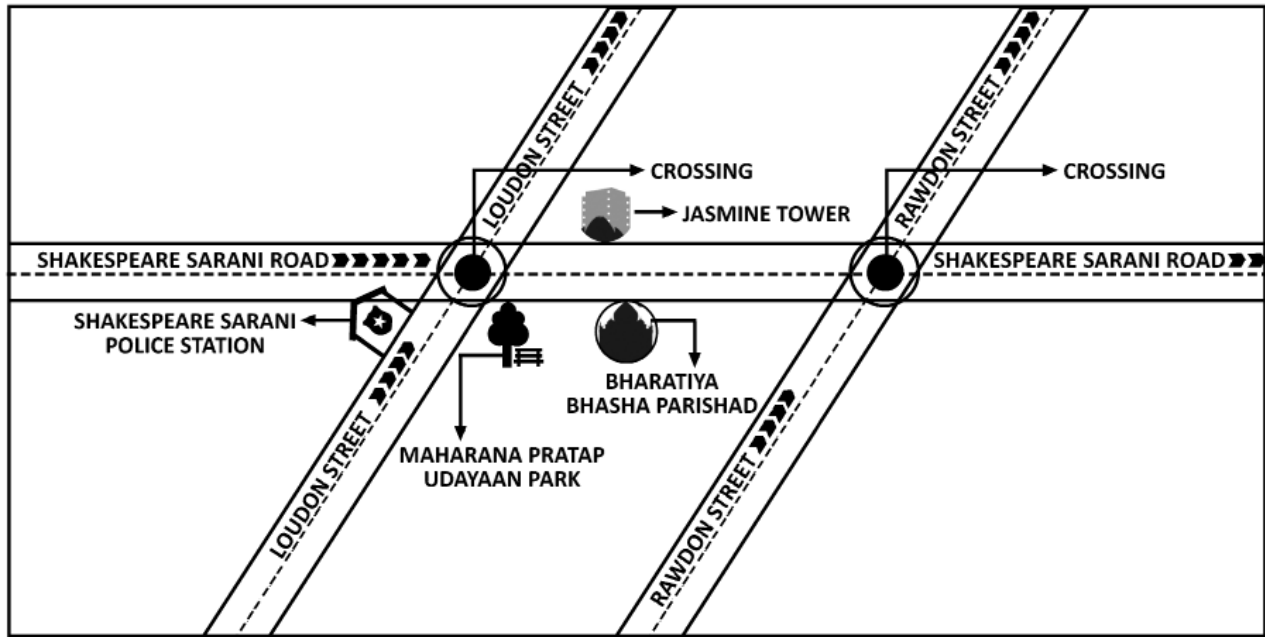
(3) Name : Address :

E-mail Id : Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the annual general meeting of the Company, to be held on the 29th day of July, 2016 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
Ordinary Business			
1.	Consider and adopt Audited Financial Statements, Reports of the Board of directors and auditors thereon		
2.	Confirm the payment of interim dividend on ordinary shares		
3.	Re-appointment of Mr. Nawal Kishore Kejriwal, who retires by rotation and, being eligible, offers himself 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, 2017		
Special Business			
5.	Alteration of Articles of Association of the Company		
6.	Re-appointment of Mr. Nawal Kishore Kejriwal as Wholetime Director for a further period of two years w.e.f. 1st June, 2016		
7.	To delegate powers u/s 180(1)(a) to Board of directors to create charge, mortgage and/or hypothecation		
8.	Authorise payment of commission to non-executive directors including independent directors of the Company		
9.	Ratification of the remuneration of M/s. D. Radhakrishnan & Co., Cost Accountants, for the financial year ending 31st March, 2017		

Signed thisday of2016

Signature of Shareholder (s).....

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

Affix
Revenue
Stamp

Note :

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the AGM.
2. For the resolutions, notes and statement on special business please refer to the Notice of the AGM.
- *3. It is optional to put a 'X' in the appropriate column against the resolutions indicated to the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.

BOOK POST

If undelivered please return to :

CHEVIOT COMPANY LIMITED

24, PARK STREET, MAGMA HOUSE (9TH FLOOR)
KOLKATA - 700 016