



Group  
Cheviot

## CHEVIOT COMPANY LIMITED

CIN: L65993WB1897PLC001409

Registered & Administrative Office

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

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

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

Ref: CCL/Share/

Date: 28th June, 2021

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

Ref: Company's Code No. 526817

Cheviot Company Limited: ISIN - INE974B01016

Dear Sir/Madam,

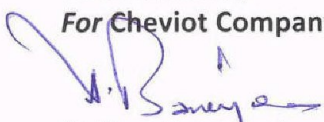
**Re: Cheviot Company Limited – Notice of the 123rd Annual General Meeting of the Company and Annual Report of the Company for the financial year ended 31st March, 2021**

Pursuant to Regulations 30 and 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the year ended 31st March, 2021 together with Notice convening the 123rd Annual General Meeting of the Company on **Friday, 23rd July, 2021 at 11:00 a.m.** through Video Conferencing / Other Audio Visual Means ('VC / OAVM') facility, in accordance with the provisions of the Companies Act, 2013 read with MCA/SEBI Circulars issued in this regard.

Kindly take the above on record.

Thanking you  
Yours faithfully

**For Cheviot Company Limited**

  
(Aditya Banerjee)  
Company Secretary  
and Compliance Officer

Encl. as stated above



**Group  
Cheviot**



# ACHIEVING GREENER HORIZONS

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**CHEVIOT COMPANY LIMITED**

Annual Report | 2020-21



For more information log on to : [www.groupcheviot.net](http://www.groupcheviot.net)

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# Corporate information

## BOARD OF DIRECTORS

MR. HARSH VARDHAN KANORIA [DIN 00060259]  
MR. UTKARSH KANORIA [DIN 06950837]  
MR. NAVIN NAYAR [DIN 00136057]  
MR. PADAM KUMAR KHAITAN [DIN 00019700]  
MRS. RASHMI PRASHAD [DIN 00699317]  
MR. SUSHIL KUMAR DHANDHANIA [DIN 00181159]  
MRS. MALATI KANORIA [DIN 00253241]

## SENIOR MANAGEMENT

MR. DEBDAS MAZUMDAR  
MR. ABHISHEK MURARKA

## CHIEF FINANCIAL OFFICER

MR. MADHUP KUMAR PATNI

## COMPANY SECRETARY

MR. ADITYA BANERJEE

## REGISTERED OFFICE

24, PARK STREET, MAGMA HOUSE, (9TH FLOOR)  
KOLKATA PIN 700 016, WEST BENGAL

## BOARDLINE

+91 82320 87911/12/13

## FAX

(033) 2249 7269 / 2217 2488

## E-MAIL ID

cheviot@chevjute.com  
investorservices@chevjute.com

## WEBSITE

www.groupcheviot.net

## CIN

L65993WB1897PLC001409

*Chairman and Managing Director, Chief Executive Officer*  
*Wholetime Director*  
*Non-Executive, Independent Director*  
*Non-Executive, Independent Director*  
*Non-Executive, Independent Director*  
*Non-Executive, Non-Independent Director*

## BANKER

AXIS BANK LIMITED

## AUDITORS

SINGHI & CO. CHARTERED ACCOUNTANTS

## PLANTS LOCATION

### BUDGE BUDGE UNIT

19, MEHTA ROAD, BADEKALINAGAR,  
BUDGE-BUDGE, 24-PARGANAS (SOUTH)  
PIN 700 137, WEST BENGAL

### FALTA UNIT

SECTOR II,  
FALTA SPECIAL ECONOMIC ZONE  
FALTA, 24-PARGANAS (SOUTH) PIN 743 504  
WEST BENGAL

## REGISTRAR AND SHARE TRANSFER AGENT

### MAHESHWARI DATAMATICS PRIVATE LIMITED

**ADDRESS:** 23, R. N. MUKHERJEE ROAD  
(5TH FLOOR), KOLKATA PIN 700 001, WEST BENGAL

**PHONE:** (033) 2248 2248 / 2243 5029

**FAX:** (033) 2248 4787

**E-MAIL ID:** mdpldc@yahoo.com

# Over 124 years of excellence in Jute

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

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

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

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



## Vision:

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



## Mission:

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



### Locations:

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

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

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



### Pride enhancing certifications:

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



### Awards and Recognitions:

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



BSE Stock Code :

526817

ISIN No. :

INE974B01016

Promoters' Holding :

74.9662%

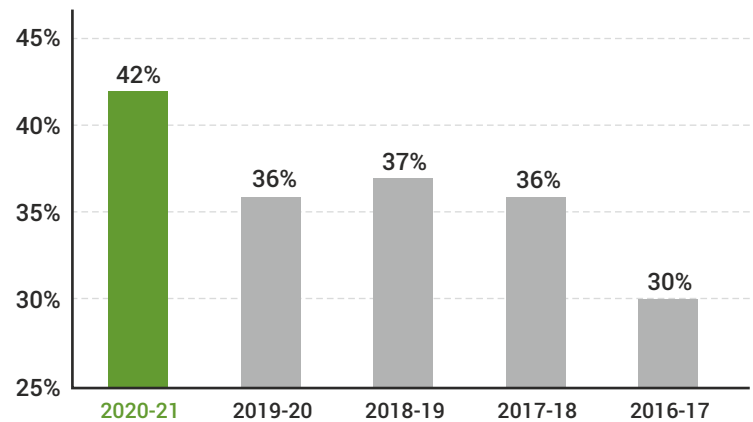
Market Capitalisation :

₹ 45,805 Lakhs

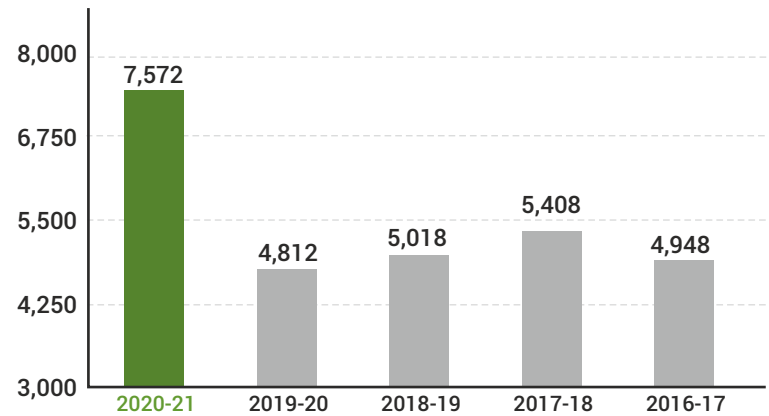
## How we have grown over the years

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

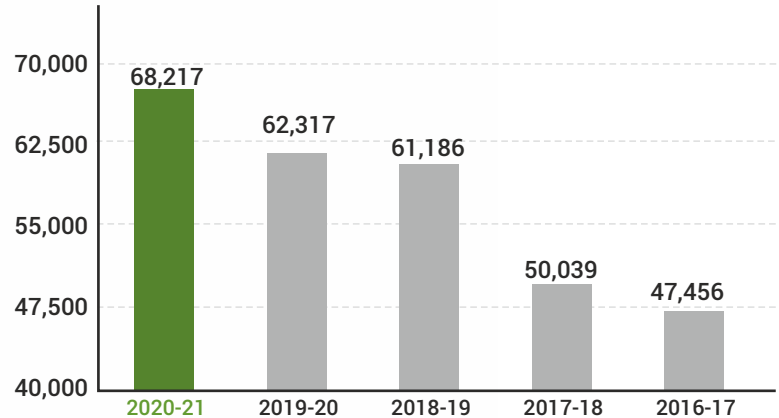
### Export as % of Total Sales



### Net Profit for the Year



### Net Worth



TEN YEARS FINANCIAL HIGHLIGHTS									
₹ in Lakhs									
Year Ended	Share capital*	Reserves and surplus / Other equity**	Net worth**	Revenue from operations	Current Tax Expense^	Net profit for the year	Earnings per ordinary share (F.V. of ₹ 10/- each) @	Book Value per ordinary share @	Dividend per ordinary share @
							in ₹	in ₹	in ₹
31-03-2012	451	28,714	29,165	29,233	845	2,887	42.66	431.01	8.67
31-03-2013	451	30,963	31,414	28,906	1,001	3,071	45.39	464.24	10.00
31-03-2014	451	32,818	33,269	27,843	1,042	2,680	39.61	491.65	10.00
31-03-2015	451	35,243	35,694	26,700	749	3,458	51.10	527.49	11.33
31-03-2016	451	41,358	41,809	34,304	1,453	3,647	53.90	617.85	11.33
31-03-2017#	451	47,005	47,456	39,354	1,465	4,948	73.12	701.31	0.67
31-03-2018#	431	49,608	50,039	37,612	1,948	5,408	82.43	773.78	0.67
31-03-2019#	647	60,539	61,186	39,456	2,155	5,018	77.59	946.14	1.00
31-03-2020#	647	61,670	62,317	45,805	1,505	4,812	74.41	963.63	48.00
31-03-2021#	627	67,590	68,217	39,576	1,577	7,572	118.43	1,088.54	175.00

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

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

# The figures from 31st March, 2017 onwards are Ind AS compliant and are not comparable with previous years.

@ To facilitate like to like comparison, adjusted for 1:2 bonus issue in F.Y. 2018-2019.

^ Current tax expense includes current tax shown in other comprehensive income.

## Our Financial Growth in 2020-21

Profit for the year  
grew by

57%

Shareholders' Equity  
grew by

9%

## Financial Ratios of 2020-21

Current Ratio

9.20

Debt-equity Ratio

0.08

Operating Profit Margin

12%



## Knitting through social bonding

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

During the year under review, our CSR programs were oriented toward various activities to support initiatives for setting up medical facilities for the treatment of COVID 19 patients and to support our frontline healthcare workers involved in their treatment. Besides, we have distributed food materials to several needy and deprived persons in the local areas near the factory.

We are privileged that the Company's above initiatives have benefited several needy and deprived persons. We remain committed to take the responsibility of exhibiting socially responsible corporate citizen and ensuring the well-being of the communities at large.

### Glimpses of CSR activities:

- New 10 bedded Covid Ward set up at Hope Hospital, Kolkata.
- N95 Masks and PPE Kits used by the healthcare workers at Tata Memorial Hospital, Mumbai.
- Treatment of COVID-19 patients at Marwari Relief Society Hospital.



COVID-19 patients at Marwari Relief Society Hospital



ICCU Bed at Hope Hospital



10-Bedded Covid Ward at Hope Hospital



Ventilator



Crash Cart Trolley



Tata Hospital - N95 Masks and PPE Suits

# Cheviot Quality Policy

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

## OUR QUALITY POLICY:

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

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

**achieving greener horizons.**

## BOARD'S REPORT

Dear Members,

(₹ in Lakhs)

Your directors take pleasure in presenting their report and the audited financial statements on standalone basis for the financial year ended 31st March, 2021.

### 1. FINANCIAL SUMMARY OR HIGHLIGHTS

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Revenue from operations</b>	<b>39,575.57</b>	<b>45,804.59</b>
Operating profit after depreciation and amortisation	4,747.05	5,213.09
Add: Other income	4,554.73	971.61
<b>Profit before tax</b>	<b>9,301.78</b>	<b>6,184.70</b>
Tax expense	1,729.47	1,372.58
<b>Profit for the year</b>	<b>7,572.31</b>	<b>4,812.12</b>

### 2. DIVIDEND

The Board of Directors have recommended a special dividend of ₹ 175/- per ordinary share on 62,66,875 ordinary shares of face value of ₹ 10/- each (1750%), amounting to ₹ 10,967.03 for the year ended 31st March, 2021 (P.Y. ₹ 48/- per ordinary share was declared as special interim dividend). The Board of Directors took a liberal view while recommending dividend for the year ended 31st March, 2021 taking into account the surplus cash available with the Company and also considering the challenging times caused by COVID-19 pandemic.

### 3. TRANSFER TO RESERVE

Your directors do not propose to transfer any amount to the reserves out of current year profits.

### 4. OPERATIONS AND STATE OF COMPANY'S AFFAIRS

There has been no change in the nature of business of the Company during the year under review. Revenue from operations, profitability and earnings per share show under noted position during the year under review as compared to previous year :

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Revenue from operations	39,575.57	45,804.59
Export sales (C.I.F. value)	16,442.72	16,152.23
Operating profit	4,747.05	5,213.09
Other income	4,554.73	971.61
Profit before tax	9,301.78	6,184.70
Tax expense	1,729.47	1,372.58
Profit after tax	7,572.31	4,812.12
Earnings per share (EPS) of face value of ₹ 10/- (In ₹)	118.43	74.41

During the year under review, the operations were affected due to the restrictions imposed by the Government to prevent the spread of novel coronavirus (COVID-19), disruption caused by the cyclone (AMPHAN) and period that remained under suspension of work for violation of safety protocols by certain group of workers. There was regular demand in domestic sector particularly from the Government. The export market was buoyant and we got good support from overseas buyers. In spite of loss of production, we were able to maintain our exports in value. Overcoming these challenges, your Company is pleased to report a satisfactory performance from business operations.

Other income largely comprises of gains on investments sold or measured at fair value through profit or loss as per IND AS 109. The unprecedented rise in the capital market scenario resulted in an unusual increase in other income for the year. Such ad-hoc increase in other income may not be sustainable in future years. This other income pushed the bottom line to a record profit for the year ended 31st March, 2021.

## BOARD'S REPORT *(Contd.)*

(₹ in Lakhs)

### 5. MANAGEMENT DISCUSSION AND ANALYSIS

#### a) Industry structure and developments

The current year has witnessed an acute shortage of raw jute. This was an impact of climatic conditions. The prices have skyrocketed to highest ever levels and shown a steep rise of 50% within one year. More disturbingly, there is a physical shortage of raw jute and there is not enough jute for the Industry to operate at full capacity till new season jute arrives in July/August 2021.

Production is likely to be affected till such time as new jute arrives.

High raw jute prices have been passed on to consumers and in many applications the levels are not economical for end users. There is a risk of long term loss of certain markets due to this price appreciation. This risk is more in our diversified export markets.

The Company has recovered significantly after the first wave of COVID-19 in 2020 and could recover the earlier losses due to lockdown. The second wave is now rising and to contain the second wave, Jute Industry has been allowed to operate only at 30% capacity by the Government of West Bengal in terms of their order dated 7th May, 2021. The situation reported here is on the date of signing this report. The road ahead in this regard is uncertain. However, having combatted such scenario during the first wave, we hope to be successful again.

Your directors stand in solidarity with the nation in such challenging times.

#### b) Opportunities and threats

##### Opportunities

- Greater awareness among the people about the demerits of using plastic is leading to a higher demand for natural bio-degradable jute goods.
- The diversified use of jute in floor coverings, jute geo-textiles, shopping bags and other industrial purposes is giving a boost in the demand for jute goods.

##### Threats

- COVID 19 is a major threat to the Jute Industry and a matter of concern as the operations could be affected anytime either at our end or our customers.
- Loss of markets in exports due to high raw jute prices.

#### c) Segment-wise or product-wise performance

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

However, the geographical segments considered for disclosure are as under:

Particulars	For the year ended 31st March, 2021			For the year ended 31st March, 2020		
	Within India	Overseas	Total	Within India	Overseas	Total
Revenue	22,631.95	16,442.72	39,074.67	28,472.67	16,152.23	44,624.90
Non-current assets other than financial instruments *	25,232.96	-	25,232.96	24,938.89	-	24,938.89

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

#### d) Outlook

We are happy to inform that the Company has been able to withstand the losses of COVID 19 shut down during first wave and shown encouraging results. We have to now encounter the second wave and no one can predict its outcome and impact. Raw jute shortage is also a challenge and we can only hope for a bumper crop in current season. We are already operating at reduced capacity due to this situation. Outlook for the coming year is challenging.

**BOARD'S REPORT** (Contd.)

(₹ in Lakhs)

**e) Risks and concerns**

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

- Availability of Raw Jute: This is a major concern in the current year. It will be difficult to even operate at proper capacity till new jute arrives in July/August 2021. The jute crop can highly fluctuate depending on area under cultivation and weather conditions. High jute prices are affecting the consumption of our end consumers and is a source of concern.
- Lack of modernisation: Industry needs to modernise and develop new technology machines through Research and Development so as to manufacture cost competitive jute products for future growth.
- Revenue concentration: The jute industry is mostly dependent on government procurement orders for packaging of food grains. High jute prices are making the price differences with alternatives higher.

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

The Board of Directors have designed and implemented various policies and procedures for internal financial controls to ensure orderly and efficient recording and generation of reliable financial and operational information, safeguarding of assets from unauthorised use or losses, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, timely preparation of reliable financial information and ensuring compliance with corporate policies and applicable laws. The audit committee evaluates the internal control system periodically. During the year under review, no fraud was detected by the auditors.

The Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2021, based on the essential components of internal controls over financial reporting criteria established by the Company.

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

The following are the significant areas of financial performance:

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020	% Increase / (Decrease)
Revenue from operations	39,575.57	45,804.59	(13.60)%
CIF value of Export Sales	16,442.72	16,152.23	1.80%
Finance cost	43.95	36.70	19.75%
Inventories	8,215.34	8,160.03	0.68%
Fixed assets inclusive of capital advances	782.40	1,431.07	(45.33)%

Revenue from operations have decreased mainly on account of lower capacity utilisation due to restrictions imposed by the Government from time to time on Jute Mill operations during the pandemic, disturbances caused by the cyclone (AMPHAN) and period that remained under suspension of work for violation of safety protocols by certain group of workers. The expenditure on fixed assets were incurred on upgradation and ongoing factory building construction. The overall performance remained stable despite the challenges of the pandemic year.

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

Industrial relations remained cordial during the year under review. There is shortage of new entrants in the Jute Industry. The Company has been operating its facilities in accordance with the advisories issued from time to time, by the Central and State Governments, including the prescribed standard operating procedures for hygiene and safety to follow social distancing norms. Facility to work from home and rotational duty were implemented, wherever necessary, to protect the health and safety of the employees.

The Company continues to impart in-house training to new entrants to bring about all round improvement in their working knowledge and skills. The Company also continues its various staff welfare schemes. As on 31st March, 2021, there were 4,158 employees on the roll of the Company.

**BOARD'S REPORT** (Contd.)

(₹ in Lakhs)

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

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020	% Change
Interest Coverage Ratio	212.64	169.52	25.44%
Net Profit Margin	19.13%	10.51%	82.13%

As explained earlier in the report, there had been an unprecedented rise in the capital market scenario resulting to an unusual increase in other income for the year on account of recognition of gains on investments sold or measured at fair value through profit or loss as per IND AS 109. This other income pushed the bottom line to achieve the highest ever net profit of the Company. The ratios calculated on this all time high net profit shows a significant change compared to previous year.

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

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

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Return on Net Worth	15.65%	10.62%

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

**k) Cautionary statement**

Statement made in this section of the report is based on the prevailing situation and future expectation are anticipated based on the prevailing market situation. Actual results may differ from those expressed or implied in the statements depending on the circumstances.

**6. SHARE CAPITAL**

The Company has one class of issued share i.e. ordinary share of face value of ₹ 10/- each.

During the year under review, your Company completed Buy-Back of 2,00,000 fully paid up ordinary shares of ₹ 10/- each (representing 3.09% of the total number of Ordinary Share capital of the Company as at 31st March, 2020) at the Buy-Back price of ₹ 900/- per ordinary share for an aggregate consideration of ₹ 1800.00 from all the eligible members of the Company holding shares as on the Record Date (18th September, 2020), on a proportionate basis, through the "Tender Offer" route in accordance with the provisions of Section 68 of the Companies Act, 2013 read with Rules made thereunder and the provisions of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended. The 2,00,000 ordinary shares bought back were extinguished in November, 2020.

Accordingly, as at 31st March, 2021, the issued, subscribed and fully paid up ordinary share capital of the Company stood at ₹ 626.69 consisting of 62,66,875 fully paid up ordinary shares of ₹ 10/- each.

The shares of Cheviot Company Limited are listed on BSE Limited. The Company has paid the Annual Listing Fees for the financial year 2021-22 to BSE Limited.

**7. CORPORATE GOVERNANCE**

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

## BOARD'S REPORT *(Contd.)*

(₹ in Lakhs)

### 8. ANNUAL RETURN

The Annual Return of the Company is available on the Company's website: <https://www.groupcheviot.net/investors-jute/annual-reports-jute/>.

### 9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of investments made by the Company have been disclosed in Note 9 and Note 15 to the financial statements for the financial year ended 31st March, 2021. The Company has not given any loan or guarantee during the year.

### 10. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Board of Directors have developed a risk management policy for the Company, identifying therein the elements of risk and concern that may threaten the existence of the Company. The senior management continuously evaluates the risk elements through a systematic approach to mitigate or reduce the impact of risk elements. The elements of risks and concerns are periodically reviewed by the Board of Directors. Discussion on risks and concerns have been made in this report under the head 'management discussion and analysis'.

### 11. CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year ended 31st March, 2021, your Company has spent ₹ 127.58 on various CSR activities. The annual report on CSR activities, in terms of Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014, is provided in **Annexure-II** forming part of this report.

During the year under review, our CSR programs were oriented toward various activities to support initiatives for setting up medical facilities for the treatment of COVID 19 patients and to support our frontline healthcare workers involved in their treatment. The Corporate Social Responsibility Policy of the Company as adopted by the Board of Directors is available on Company's website (<https://www.groupcheviot.net/investors-jute/corporate-governance-jute/>). The composition of CSR Committee is disclosed in the report on corporate governance forming part of this report.

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

The Company has formulated a Vigil Mechanism / Whistle Blower Policy in terms of Section 177 of the Companies Act, 2013 and as per Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the employees and directors to report their grievance(s) / concern(s) about instances of unethical behaviour, actual or suspected fraud or violation of Company's code of conduct to the Vigilance Officer or the Chairman of the audit committee. During the year under review, no complaint was reported. The whistle blower policy is available on the Company's website (<https://www.groupcheviot.net/investors-jute/corporate-governance-jute/>).

### 13. ANNUAL PERFORMANCE EVALUATION

The Board of Directors evaluated its own performance, its Committees and the performance of independent directors. The nomination and remuneration committee carried out annual performance evaluation of individual directors. The overall performance of the Board of Directors, its committees and individual directors was found adequate and effective in terms of the criteria set out by the nomination and remuneration committee.

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

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

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



## BOARD'S REPORT *(Contd.)*

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

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

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

### 15. NUMBER OF MEETINGS OF THE BOARD

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

### 16. COMPOSITION OF AUDIT COMMITTEE

The Board of Directors have constituted the audit committee with three directors as members, all of whom are financially literate. Two-thirds of the members of audit committee are independent directors. More details on the audit committee are given in the report on corporate governance.

### 17. 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.

### 18. BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Business Responsibility Report of the Company for the financial year ended 31st March, 2021, describing the initiatives taken by the Company from an environmental, social and governance perspective, in the prescribed format is enclosed as **Annexure III** to this report.

### 19. PARTICULARS OF EMPLOYEES

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

## BOARD'S REPORT *(Contd.)*

The details of employees prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. However, with regard to the provisions of the second proviso to Section 136(1) of the Companies Act, 2013 and second proviso to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Annual Report excluding the said information is being sent to the members of the Company. The said information is available for inspection and any member interested in obtaining such information may write to the company secretary and the same will be furnished on request.

### **20. MATERIAL CHANGES AND COMMITMENTS, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THIS REPORT**

The second wave of COVID-19 has hit India hard and is yet to reach its peak. Our manufacturing units are running at reduced production capacity as per Government of West Bengal Order dated 7th May, 2021 imposing restriction on the operations in Jute Mills to 30% of total strength of each shift. At present, there is no visibility as to how long such situation will persist. We cannot predict the impact this will have on our own operations or on our business partners at this stage.

### **21. CREDIT RATING**

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

### **22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The Board of Directors have formulated a policy on dealing with related party transactions which has been disclosed on the website of the Company. All transactions entered into with related parties as defined under the Companies Act, 2013 read with Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the year, were in the ordinary course of business and at arm's-length price. There was no materially significant related party transaction made by the Company with its promoters, directors or key managerial personnel which may have potential conflict with the interest of the Company at large or which warrants the approval of the members. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable to the Company for FY 2020-21 and hence does not form part of this report.

Details of related party transactions entered into by the Company, in terms of IND AS-24 are disclosed in note 54 to the financial statements for the financial year ended 31st March, 2021. All related party transactions were placed before the audit committee for approval on a quarterly basis and prior omnibus approval of the audit committee was obtained for the transactions which were of a repetitive nature.

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

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

### **24. DIRECTORS**

Mr. Nawal Kishore Kejriwal (DIN 00060314) (aged 77 years) retired from the Board of Directors on completion of his term of office on 31st May, 2020.

Mr. Utkarsh Kanoria (holding DIN 06950837) shall retire by rotation at the ensuing annual general meeting and, being eligible, offers himself for re-appointment.

The information about the director seeking re-appointment as required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings have been given in the notice convening the ensuing annual general meeting.

## BOARD'S REPORT *(Contd.)*

(₹ in Lakhs)

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

In the opinion of the Board of Directors, there has been no change in the circumstances which may affect their status as independent directors of the Company and the Board of Directors are satisfied of the integrity, expertise, and experience of all the independent directors on the Board of Directors. All the independent directors have registered themselves on Independent Directors Databank.

### 25. KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Nawal Kishore Kejriwal (DIN 00060314) (aged 77 years), whole time director of the Company, retired from the Board of Directors on completion of his term of office on 31st May, 2020. All the other Key Managerial Personnel continue to hold their offices.

### 26. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

There is no company which has become or ceased to be the Company's subsidiary, joint venture or associate company during the year. The Company does not have any subsidiary, joint venture or associate company as on 31st March, 2021.

### 27. PUBLIC DEPOSITS

The Company has not accepted deposits from public within the meaning of Section 73 of the Companies Act, 2013 read with Rules framed thereunder. Further, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

### 28. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

No significant and/or material order was passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future. Details of contingent liabilities and commitments (to the extent not provided for) are disclosed in Note 46 to the financial statements for the financial year ended 31st March, 2021.

### 29. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has complied with provisions relating to the constitution of Internal Complaint Committee as required to be formed under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder. The Company has adopted a policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. During the year under review, no complaint of sexual harassment has been received by the Internal Complaint Committee. More details are available in the report on corporate governance.

### 30. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

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

Accordingly, the Company had transferred ₹ 12.34 lying in the unpaid dividend account for the financial year 2012-13 to the bank account of IEPF Authority on 28th September, 2020. Further, 1,897 ordinary shares were transferred to the IEPF Authority during the year. The details of unpaid dividend and shares transferred to the IEPF Authority are available at the following web link: (<https://www.groupcheviot.net/investors-jute/unclaimed-dividends-jute/>).

### 31. STATUTORY AUDITORS

M/s Singhi & Co., Chartered Accountants (ICAI Registration No. 302049E), was appointed as statutory auditors of the Company at the annual general meeting held on 25th August, 2017 for a term of five consecutive years. There has been no qualification, reservation or adverse remark in the Independent Auditors' Report for the financial year ended 31st March, 2021. The statutory auditors have not reported any incident of fraud during the year under review in terms of Section 143(12) of the Companies Act, 2013 necessitating disclosure in the Board's Report.

## BOARD'S REPORT *(Contd.)*

### 32. COST AUDIT

The Company is required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and accordingly such accounts and records are made and maintained by the Company.

Pursuant to Section 148 of the Companies Act, 2013 read with Rules framed thereunder, the Board of Directors have re-appointed M/s D. Radhakrishnan & Co., Cost Accountants (Registration No. 000018), as cost auditor for the financial year 2021-22 to conduct the audit of the cost accounting records maintained by the Company. The resolution included at Item No. 5 of the notice convening the annual general meeting seeks members' ratification to the remuneration payable to the cost auditor. M/s D. Radhakrishnan & Co., have long experience in the field of cost audit and have been conducting the audit of the cost records of the Company for the past several years. The Cost Audit Report of the Company for the financial year ended 31st March, 2020 was filed by the Company in XBRL mode on 6th November, 2020.

### 33. SECRETARIAL AUDIT

The Board of Directors have appointed M/s MR & Associates, a firm of practising company secretaries (CoP 2551) to carry out the Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 read with Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The report from the secretarial auditor in Form MR-3 for the financial year 2020-21 does not contain any qualification, reservation or adverse remarks. The secretarial audit report is enclosed as **Annexure VI** to this report. During the year under review, the Secretarial Auditor did not report any matter under Section 143(12) of the Companies Act, 2013 necessitating disclosure in the Board's Report.

Further, the Company has filed the Annual Secretarial Compliance Report for the year ended 31st March, 2021 issued by the secretarial auditor with BSE Limited on 4th May, 2021.

### 34. SECRETARIAL STANDARDS

The directors have devised proper systems to ensure compliance with the provisions of the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

### 35. ACKNOWLEDGEMENTS

Your directors place on record their appreciation for the whole-hearted support and co-operation received from the Government, vendors, financial institutions, banks, regulatory authorities, customers and all other stakeholders and look forward to their continued support in the future. The dedicated services rendered by employees at all levels also abetted to overcome the challenges faced during the pandemic.

For and on behalf of the Board  
**CHEVIOT COMPANY LIMITED**

**Harsh Vardhan Kanoria**

Chairman and Managing Director,  
Chief Executive Officer

DIN : 00060259

Kolkata, 15th May, 2021

## ANNEXURE I TO THE BOARD'S REPORT

### REPORT ON CORPORATE GOVERNANCE

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

Cheviot Company Limited ("the Company") believes in cultivating the virtues of good corporate governance across the organisation to attain sustained growth through fair and ethical dealing. In pursuit to this objective, the Company is guided by a strong emphasis to uphold the integrity, transparency and accountability in all its affairs. The Company's code of corporate governance is aimed to protect the long term interest of all its stakeholders.

#### 2. Board of Directors

##### a) Composition and category of directors

The composition of Board of Directors of the Company has an optimum combination of executive and non-executive directors in conformity with Section 149 of the Companies Act, 2013 (hereinafter referred to as "the Act") and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations"). Presently, the Board of Directors consists of 7 (seven) directors with 2 (two) executive (promoter) directors, 1 (one) non-executive (promoter) director (woman) and 4 (four) independent non-executive directors (including one woman independent director). Mr. Nawal Kishore Kejriwal (DIN 00060314), executive director had retired on completion of his term of office on 31st May, 2020 at the age of 77 years.

##### 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, 2021

Name of the Directors	Position [Refer abbreviations below]	Attendance Particulars		No. of other directorship(s) and other Board committee membership(s)/chairmanship(s) held		
		At Board Meeting (s)	At last AGM held on 14th August, 2020	Other Directorship(s) <sup>^</sup>	Committee Membership(s) <sup>*</sup>	Committee Chairmanship(s) <sup>*</sup>
Mr. Harsh Vardhan Kanoria	CMD, CEO [P]	5	Yes	5	2	Nil
Mr. Nawal Kishore Kejriwal <sup>§</sup>	WTD	Nil	No	1	Nil	Nil
Mr. Utkarsh Kanoria	WTD [P]	5	Yes	2	Nil	Nil
Mr. Navin Nayar	ID NED	5	Yes	12	4	2
Mr. Padam Kumar Khaitan	ID NED	5	Yes	8	2	1
Mrs. Rashmi Prashad	ID NED [W]	4	Yes	2	Nil	Nil
Mr. Sushil Kumar Dhandhanania	ID NED	5	Yes	17	Nil	Nil
Mrs. Malati Kanoria	NED [P] [W]	5	Yes	5	Nil	Nil

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

Sl. No.	Name of the Directors	Names of other listed entities where the person is a director	Category of Directorship [Refer abbreviations below]
1	Mr. Harsh Vardhan Kanoria	1. Jay Shree Tea and Industries Limited	ID NED
2	Mr. Navin Nayar	1. Amar Vanijya Limited 2. Bengal Tea and Fabrics Limited 3. Kanco Tea and Industries Limited	ID NED ID NED ID NED
3	Mr. Padam Kumar Khaitan	1. Asian Hotels (East) Limited 2. Magadh Sugar and Energy Limited 3. Ramkrishna Forgings Limited	ID NED ID NED ID NED

The other directors of the Company does not hold directorship in any other listed entity.

<sup>^</sup> Includes directorship in private limited companies and foreign companies. None of the directors hold directorship in more than seven listed companies.

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

<sup>§</sup> Retired on completion of his term of office on 31st May, 2020.

Abbreviations:

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

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

### d) Number of Board meetings held and dates on which held

5 (five) meetings of the Board of Directors were held during the year on 5th June, 2020, 13th August, 2020, 8th September, 2020, 12th November, 2020 and 12th February, 2021. The maximum gap between two meetings was less than one hundred and twenty days. In order to adhere to the social distancing norms, the directors participated at all the board meetings held during the year through video conferencing/other audio-visual means.

### e) Disclosure of relationships between directors inter-se

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

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

Mrs. Malati Kanoria, non-executive director, held 3,82,830 ordinary shares of the Company as at 31st March, 2021. None of the independent directors hold any share or convertible instrument of the Company.

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

The details of familiarisation programme imparted to independent directors are disclosed on the website of the Company (<https://www.groupcheviot.net/investors-jute/corporate-governance-jute/>).

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

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

Sl. No.	Areas of core skills/expertise/competence	Available with the Board	Names of directors who have such skills/expertise/competence
1	Leadership	Yes	All directors
2	Manufacturing / Operations	Yes	All directors
3	Jute Technology / Sales and Marketing	Yes	Mr. Harsh Vardhan Kanoria and Mr. Utkarsh Kanoria
4	Finance and Accounting Principles	Yes	All directors
5	Governance and Legal Compliances	Yes	Mr. Harsh Vardhan Kanoria; Mr. Utkarsh Kanoria; and Mr. Padam Kumar Khaitan
6	Business Strategy and Risk Management	Yes	All directors

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

### i) Other provisions

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

## 3. Audit committee

### a) Brief description of terms of reference

The powers, roles and terms of reference of the Audit Committee are in accordance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. The terms of reference inter alia include:

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Review and monitor the auditor's independence, performance and effectiveness of audit process;

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

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company to the Board of Directors;
- Examining and reviewing, quarterly results and annual financial statements and the independent auditor's report thereon before submission to the Board of Directors;
- Evaluation of internal financial controls and risk management systems;
- Discussion with internal auditors on any significant findings and follow up thereon;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- Review the performance of statutory and internal auditors, adequacy of the internal control systems;
- Review the functioning of whistle blower mechanism;
- Scrutiny of inter-corporate loans and investments;
- Approval of related party transactions or any subsequent modification of transactions with related parties;
- Review compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and verify the effectiveness of internal controls followed by the Company.

### b) Composition, name of members and chairperson

The details of composition of the Audit Committee with name of members and chairperson are as follows:

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

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

### c) Meetings and attendance during the year

During the year, 4 (four) meetings of the Audit Committee were held on 4th June, 2020, 12th August, 2020, 11th November, 2020 and 11th February, 2021.

Name of the directors	Number of meetings attended
Mr. Navin Nayar	4
Mr. Sushil Kumar Dhandhanian	4
Mr. Utkarsh Kanoria	4

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 previous AGM of the Company held on 14th August, 2020. 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 Audit Committee meetings was less than one hundred and twenty days.

## 4. Nomination and remuneration committee

### a) Brief description of terms of reference

The powers, role and terms of reference of the Nomination and Remuneration Committee are in accordance with the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. The terms of reference inter alia include:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

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

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

### b) Composition, name of members and chairperson

The details of composition of Nomination and Remuneration Committee with name of members and chairperson are as follows:

Name of the directors	Designation	Category
Mr. Sushil Kumar Dhandhanian	Chairman	Independent Director
Mr. Navin Nayar	Member	Independent Director
Mrs. Rashmi Prashad	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 26th May, 2020 and 11th February, 2021.

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

The Chairman of the Nomination and Remuneration Committee was present at the previous AGM of the Company held on 14th August, 2020.

### d) Performance evaluation criteria for independent directors

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

## 5. Stakeholders' Relationship Committee

### a) Name of non-executive director heading the committee

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

Name of the directors	Designation	Category
Mr. Sushil Kumar Dhandhanian	Chairman	Independent Director
Mrs. Rashmi Prashad	Member	Independent Director
Mr. Nawal Kishore Kejriwal <sup>§</sup>	Member	Wholetime Director
Mrs. Malati Kanoria <sup>§</sup>	Member	Non-Executive Director

<sup>§</sup> The Stakeholders' Relationship Committee was re-constituted with effect from 1st June, 2020 with Mrs. Malati Kanoria as a member in place of Mr. Nawal Kishore Kejriwal, who has retired from the Board of Directors on completion of his term of office on 31st May, 2020



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

(₹ in Lakhs)

### b) Name and designation of the Compliance Officer

Mr. Aditya Banerjee, Company Secretary of the Company is the Compliance Officer.

### c) Number of shareholders' complaints received during the year, number of complaints not solved to the satisfaction of shareholders, number of pending complaints.

During the year under review, 8 (eight) investor complaints were received which have been redressed to the satisfaction of the concerned shareholders. The Company had no complaint pending at the close of financial year. Queries received from the investors are replied generally within 15 (fifteen) days of the receipt of the letters/emails.

## 6. Remuneration of directors

### a) Details of remuneration of directors

(i) Details of remuneration of executive directors for the financial year ended 31st March, 2021:

Name of the directors	Salary	Commission	Contribution to provident fund	Estimated value of other allowances and perquisites	Tenure of appointment
	₹	₹	₹	₹	
Mr. Harsh Vardhan Kanoria (Chairman and Managing Director)	24.00	283.00	2.40	9.78	5 years from 1st August, 2020
Mr. Nawal Kishore Kejriwal <sup>§</sup> (Wholetime Director)	8.00	Nil	0.80	7.33	1 year from 1st June, 2019
Mr. Utkarsh Kanoria (Wholetime Director)	21.00	273.00	Nil	11.18	5 years from 24th May, 2017

<sup>§</sup> Retired on completion of his term of office on 31st May, 2020.

(ii) Details of remuneration of non-executive directors, including independent directors of the Company for the financial year ended 31st March, 2021:

Name of the directors	Sitting Fees	Commission
	₹	₹
Mrs. Malati Kanoria (Non-Executive Director, Promoter)	0.50	5.00
Mr. Navin Nayar (Independent, Non-Executive Director)	0.50	5.00
Mr. Padam Kumar Khaitan * (Independent, Non-Executive Director)	0.50	5.00
Mrs. Rashmi Prashad (Independent, Non-Executive Director)	0.40	5.00
Mr. Sushil Kumar Dhandhanian (Independent, Non-Executive Director)	0.50	5.00

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

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

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.

The Company avails legal and professional services from M/s Khaitan & Co. LLP, a solicitor firm, in which Mr. Padam Kumar Khaitan, independent director of the Company is a partner. During the year under review, the Company had paid ₹ 2.15 to Khaitan & Co. LLP for legal and professional services which does not exceed ten per cent or more of the gross turnover of such firm and is not material to affect the independence of judgement of Mr. Padam Kumar Khaitan as an independent director of the Company.

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

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

### b) Criteria of making payment to non-executive directors

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

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

In the event that the Company, in any financial year during the tenure of appointment of non-executive directors, including independent directors of the Company, has no profits or its profits are inadequate, the remuneration payable to non-executive directors, including independent directors of the Company in such year(s) shall not exceed the ceiling laid down in Section II of Part II of Schedule V to the Companies Act, 2013 or any modification(s) or re-enactment thereof, subject to such approvals as may be required.

### 7. Corporate Social Responsibility Committee

#### a) Composition, name of members and chairperson

The details of composition of Corporate Social Responsibility (CSR) Committee with name of members and chairperson are as follows:

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

#### b) Meetings and attendance

2 (two) meetings of the CSR committee were held on 4th June, 2020 and 11th February, 2021:

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

### 8. Separate meeting of Independent Directors

During the year, the independent directors held a separate meeting on Monday, 22nd February, 2021 and carried out inter alia the performance evaluation of the Chairman and Managing Director of the Company, other non-independent directors and the Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties, as per the requirement of Schedule IV to the Act read with Regulation 25(3) of the SEBI Listing Regulations. The meeting was attended by all the independent directors.

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

### 9. General Body Meetings

#### a) Location and time where last three AGMs were held and special resolution passed in the previous three AGMs:

Date, Time and Location of last three AGM	Special Resolutions passed at the AGM
14th August, 2020 at 11:00 a.m. through video conferencing (VC) or other audio-visual means (OAVM) conducted from the Registered Office	Re-appointment of Mr. Harsh Vardhan Kanoria as Chairman and Managing Director for further period of five years w.e.f. 1st August, 2020.
24th July, 2019 at 11.00 a.m. at the Sitaram Seksaria Auditorium at Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani (4th Floor), Kolkata 700017	<ol style="list-style-type: none"> <li>1) Re-appointment of Mr. Nawal Kishore Kejriwal as Whole time director for further period of one year w.e.f. 1st June, 2019;</li> <li>2) To create mortgage and/or charge on the movable and immovable properties of the Budge Budge unit in favour of Axis Bank Limited to secure the working capital facilities not exceeding ₹ 32 Crores in aggregate;</li> <li>3) To pay aggregate annual remuneration exceeding five percent of the net profits of the Company to the executive directors who are promoters or members of the promoter group;</li> <li>4) Giving loans or extending guarantee or providing security or making investment not exceeding a sum of ₹ 200 Crores over and above the limit prescribed under Section 186(2) of the Act.</li> </ol>
10th August, 2018 at 11.00 a.m. at the Sitaram Seksaria Auditorium at Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani (4th Floor), Kolkata 700017	<ol style="list-style-type: none"> <li>1) Re-appointment of Mr. Nawal Kishore Kejriwal as Whole time director for further period of one year w.e.f. 1st June, 2018;</li> <li>2) Re-appointment of Mr. Navin Nayar as independent director for second term of five consecutive years w.e.f. 1st April, 2019;</li> <li>3) Re-appointment of Mr. Padam Kumar Khaitan as independent director for second term of five consecutive years w.e.f. 1st April, 2019;</li> <li>4) Re-appointment of Mr. Sushil Kumar Dhandhanias as independent director for second term of five consecutive years w.e.f. 1st April, 2019;</li> <li>5) Keeping Register of Members, Index of Members and Register of renewed and duplicate share certificates at the office of Registrar and Share Transfer Agent.</li> </ol>

#### b) Postal Ballot

No special resolution was passed during last year through postal ballot. In pursuance to the proviso to Section 110(1) of the Act, business required to be transacted by means of postal ballot had been transacted at the general meeting by providing facility to members to vote by electronic means. There is no item on the agenda of ensuing AGM which requires passing a special resolution through postal ballot.

### 10. Means of Communication

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

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

### 11. General Shareholder Information

i) AGM Date, Time and Venue	<b>Friday, 23rd July, 2021 at 11.00 a.m.</b> through video conferencing or other audio-visual means to be conducted from the Registered Office as per details given in the notice calling the AGM of the Company of even date.
ii) Financial year	Financial Year: 1st April to 31st March. Quarterly, Half-Yearly and Annual Financial Results of the Company shall be submitted to the Stock Exchange within the time prescribed under Regulation 33 of the SEBI Listing Regulations.
iii) Dividend payment date	No dividend was paid during the financial year 2020-2021. Special dividend for the year ended 31st March, 2021, as recommended by the Board of Directors, will be paid on and from <b>Wednesday, 28th July, 2021</b> , subject to approval of the members at the ensuing AGM of the Company.
iv) the name and address of each stock exchange(s) at which the Company's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400001 Listing Fees for the year 2021-2022 has been paid on 26th April, 2021.
v) Stock Code	526817 on BSE Limited (ISIN: INE974B01016)
vi) Market Price data: High, Low during each month in last financial year	Information has been given at the end of clause 11.
vii) Stock performance of the Company in comparison to BSE Sensex. (April, 2020 to March, 2021)	Information has been given at the end of clause 11.
viii) Registrar and Share Transfer Agent	Maheshwari Datamatics Private Limited 23, R.N. Mukherjee Road, 5th Floor, Kolkata – 700 001 Ph: (033) 2248-2248/2243-5029 Fax: (033) 2248 4787 E-mail ID: mdpldc@yahoo.com
ix) Share Transfer System	Information has been given at the end of clause 11.
x) Distribution of Shareholding as at 31st March, 2021	Information has been given at the end of clause 11.
xi) Dematerialisation of shares and liquidity	As on 31st March, 2021, 98.1405% of the Company's paid-up share capital representing 61,50,345 ordinary shares was 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 57.3 to the financial statements for the year ended 31st March, 2021.
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 BOARD'S REPORT (Contd.)

xv) Address for Correspondence	Cheviot Company Limited 24, Park Street, Magma House (9th Floor) Kolkata - 700 016 Phone: +91 82320 87911/12/13   Fax: (033) 2249 7269 / 2217 2488 Email ID: cheviot@chevjute.com Investor service / E-voting e-mail ID: investorservices@chevjute.com Website: www.groupcheviot.net		
xvi) List of all credit ratings obtained by the Company along with any revisions thereto during the relevant financial year.	The Company has obtained Bank Loan Rating from Crisil Limited as under:		
	<b>Financial Year</b>	<b>2020-21</b>	<b>2021-22</b>
	Total Bank Loan Facilities Rated	₹ 34.00 Crores	₹ 34.00 Crores
	Long-Term Rating	Crisil A+/Stable	Crisil A+/Stable
	Short-Term Rating	Crisil A1+	Crisil A1+
There has been no revision in the rating during the financial year 2020-2021. The rating stands re-affirmed by Crisil Limited till 31st March, 2022.			

### Information in respect of clause 11 (vi)

Market Price data: High, Low during each month (April, 2020 to March, 2021) are given in the table below:

Month	BSE Limited	
	High (₹)	Low (₹)
April, 2020	669.00	495.10
May, 2020	624.95	547.00
June, 2020	654.00	550.00
July, 2020	629.00	554.00
August, 2020	664.00	500.00
September, 2020	782.00	608.00
October, 2020	777.70	627.60
November, 2020	729.00	676.10
December, 2020	740.00	660.00
January, 2021	740.00	684.70
February, 2021	815.10	680.00
March, 2021	820.00	706.00

### Information in respect of clause 11 (vii)

Stock performance of the Company in comparison to BSE Sensex (April, 2020 to March, 2021)

Month	Company' share price at BSE Limited		BSE Sensex	
	High (₹)	Low (₹)	High	Low
April, 2020	669.00	495.10	33,887.25	27,500.79
May, 2020	624.95	547.00	32,845.48	29,968.45
June, 2020	654.00	550.00	35,706.55	32,348.10
July, 2020	629.00	554.00	38,617.03	34,927.20
August, 2020	664.00	500.00	40,010.17	36,911.23
September, 2020	782.00	608.00	39,359.51	36,495.98
October, 2020	777.70	627.60	41,048.05	38,410.20
November, 2020	729.00	676.10	44,825.37	39,334.92
December, 2020	740.00	660.00	47,896.97	44,118.10
January, 2021	740.00	684.70	50,184.01	46,160.46
February, 2021	815.10	680.00	52,516.76	46,433.65
March, 2021	820.00	706.00	51,821.84	48,236.35

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

### Information in respect of clause 11(ix)

#### Share Transfer System

The transfer/transmission of shares are approved in accordance with the powers delegated by the Board of Directors to the Chairman and Managing Director, Wholtime Director and Company Secretary. Pursuant to Regulation 40 of SEBI Listing Regulations, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed unless the securities are held in dematerialised form with a depository. The shares lodged for dematerialisation are processed within 15 (fifteen) days from the date of their lodgement, if instruments are found valid and complete in all respects.

As stipulated by Securities and Exchange Board of India, M/s MR & Associates, a firm of Practising Company Secretaries carried out the audit to reconcile the total admitted capital in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited 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 was carried out in every quarter and the report was submitted to the BSE Limited.

### Information in respect of clause 11 (x)

#### a) Distribution of Shareholding as on 31st March, 2021:

Number of Ordinary shares held	Number of Ordinary Shares	Percentage of Shareholding	Number of Shareholders/folios	Percentage of Shareholders/folios
Up to 500	6,38,049	10.1813	8,161	94.3359
501 to 1000	1,97,288	3.1481	272	3.1442
1001 to 2000	1,94,142	3.0979	140	1.6183
2001 to 3000	73,112	1.1666	30	0.3468
3001 to 4000	49,061	0.7829	14	0.1618
4001 to 5000	32,272	0.5150	7	0.0809
5001 to 10000	92,530	1.4765	14	0.1618
10001 and above	49,90,421	79.6317	13	0.1503
<b>Total</b>	<b>62,66,875</b>	<b>100.0000</b>	<b>8,651</b>	<b>100.0000</b>
Physical Mode	1,16,530	1.8595	571	6.6004
Demat Mode	61,50,345	98.1405	8,080	93.3996

#### b) Shareholding Pattern as on 31st March, 2021 :

Category Code	Category of shareholders	Number of shareholders	Total number of ordinary shares	As a percentage of total shares
(A)	Shareholding of Promoter and Promoter Group*			
	1. Indian	7	46,98,039	74.9662
	2. Foreign	-	-	-
	Total Shareholding of Promoter and Promoter Group	7	46,98,039	74.9662
(B)	Public Shareholding			
	1. Institutions	17	10,298	0.1643
	2. Non-institutions	8,627	15,58,538	24.8695
	Total Public Shareholding	8,644	15,68,836	25.0338
(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	-	-	-
	<b>TOTAL (A)+(B)+(C)</b>	<b>8,651</b>	<b>62,66,875</b>	<b>100.0000</b>

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

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

### 12. CEO and CFO certification

Mr. Harsh Vardhan Kanoria, Chairman and Managing Director, Chief Executive Officer and Mr. Madhup Kumar Patni, Chief Financial Officer of the Company provide compliance certificate to the Board of Directors, in terms of Regulation 17(8) of the SEBI Listing Regulations.

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

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

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

As on 31st March, 2021, there are no outstanding shares of the Company lying in the demat suspense / unclaimed suspense account.

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

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

### 16. Other Disclosures

- i) 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 the Company at large. All transactions, entered with related parties, were 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 IND AS-24 have been made in Note 54 to the financial statements for the year ended 31st March, 2021. Policy on related party transactions and other policies and code of conduct adopted by the Board of Directors are displayed on the website (<https://www.groupcheviot.net/investors-jute/corporate-governance-jute/>).
- ii) During the last three years, no penalty or stricture has been imposed on the Company by BSE Limited or Securities and Exchange Board of India or any other statutory authority for non-compliance of any matter related to the capital markets.
- iii) Whistle blower policy/vigil mechanism established by the Company offers appropriate protection to the whistle blower(s) from victimisation, harassment or disciplinary proceedings. The whistle blower(s) may also lodge his/their complaint(s)/concern(s) with the Chairman of the audit committee. No personnel have been denied access to the audit committee.
- iv) The Company does not have any subsidiary.
- v) The Senior Management Personnel of the Company have confirmed to the Board of Directors that there was no material, financial and commercial transaction entered during the financial year ended 31st March, 2021, where they have personal interest that may have a potential conflict with the interests of the Company at large.
- vi) The details of fees paid/payable to the Statutory Auditors by the Company have been disclosed in Note 43 to the financial statements for the year ended 31st March, 2021.
- vii) The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI Listing Regulations.

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

viii) Disclosure of compliance with mandatory and non-mandatory corporate governance requirements:

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

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

b) **Discretionary requirements:**

**A. The Board:** The Chairman of the Company is an executive director.

**B. Shareholder Rights:** Half-yearly results and other information are published in newspaper and uploaded on Company's website (<https://www.groupcheviot.net>).

**C. Modified opinion(s) in audit report:** The Company has received unmodified audit opinion on the financial statements for the year ended 31st March, 2021.

**D. Reporting of internal auditor:** The internal auditors have access to directly report to the audit committee.

ix) Certificate received from a practising company secretary confirming that none of the directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority is appended to this report.

x) There has not been any instance where the Board of Directors did not accept the recommendations of committees of the Board, which is mandatorily required.

xi) Compliance certificate from M/s SJAB & Associates, a firm of practising company secretaries regarding compliance of conditions of corporate governance is appended to this report.

Kolkata, 15th May, 2021

For and on behalf of the Board  
**CHEVIOT COMPANY LIMITED**

**Harsh Vardhan Kanoria**

Chairman and Managing Director,  
Chief Executive Officer  
DIN : 00060259



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

### DECLARATION ON COMPLIANCE WITH COMPANY'S CODE OF CONDUCT

**Dear Members,**

I hereby declare that to the best of my knowledge and belief, all the members of Board of Directors and senior management personnel of the Company have affirmed compliance with the Company's code of conduct for the financial year ended 31st March, 2021.

**Harsh Vardhan Kanoria**

Chairman and Managing Director,

Chief Executive Officer

DIN : 00060259

Kolkata, 15th May, 2021

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of **Cheviot Company Limited**

24, Park Street, Magma House (9th Floor), Kolkata 700016

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Cheviot Company Limited** having CIN L65993WB1897PLC001409 and having registered office at 24, Park Street, Magma House (9th Floor), Kolkata 700016 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the directors on the Board of the Company, as stated below, has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority for the year ended 31st March, 2021.

Sl. No.	Name of the Directors	DIN	Date of appointment in Company (as per MCA Portal)
1	Mr. Harsh Vardhan Kanoria	00060259	28/08/1975
2	Mrs. Malati Kanoria	00253241	09/05/2014
3	Mr. Navin Nayar	00136057	30/07/2001
4	Mr. Padam Kumar Khaitan	00019700	23/09/2006
5	Mrs. Rashmi Prashad	00699317	01/04/2019
6	Mr. Sushil Kumar Dhandhanian	00181159	05/06/2003
7	Mr. Utkarsh Kanoria	06950837	24/05/2017

Ensuring the eligibility, for the appointment / continuity of every director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For SJAB & Associates**

Practising Company Secretaries

**Sonom Bhawsinghka**

Partner

Membership No.: A49781

CP no.: 20379

UDIN : A049781C000317191

Place: Kolkata

Dated: 15th May, 2021

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

### CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of **Cheviot Company Limited**  
24, Park Street, Magma House (9th Floor), Kolkata 700016

We have examined the compliance of conditions of Corporate Governance by **Cheviot Company Limited** ("the Company"), for the year ended on 31st March, 2021, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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

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

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

Note: We have conducted online verification and examination of records as facilitated by the Company, due to Covid 19 for the purpose of issuing this certificate.

**For SJAB & Associates**  
Practising Company Secretaries  
**Sonam Bhawsinghka**  
Partner  
Membership No.: A49781  
CP no.: 20379  
UDIN : A049781C000317290

Place: Kolkata  
Dated: 15th May, 2021

## ANNEXURE II TO THE BOARD'S REPORT

(₹ in Lakhs)

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 ("the Act") read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1.	Brief outline on CSR policy of the Company :	At Cheviot, we believe in a responsible shared value approach to augment industrial growth together with actions directed to create prosperity among all our stakeholders, employees and the community at large. During the year, our CSR programs were oriented toward various activities to support initiatives for setting-up medical facilities for the treatment of COVID-19 patients and to support our frontline healthcare workers involved in their treatment.		
2.	Composition of CSR Committee :			
	<b>Sl. No.</b>	<b>Name of Director</b>	<b>Designation / Nature of Directorship</b>	<b>Number of meetings of CSR Committee held during the year</b>
	1	Mrs. Malati Kanoria	Chairperson, Non-executive director	2
	2	Mr. Padam Kumar Khaitan	Member, Independent director	2
	3	Mrs. Rashmi Prashad	Member, Independent director	2
3.	Provide the web-link where composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company :		<a href="http://www.groupcheviot.net/investors-jute/corporate-governance-jute/">http://www.groupcheviot.net/investors-jute/corporate-governance-jute/</a>	
4.	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) :		Not applicable	
5.	Details of amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any :			
	<b>Sl. No.</b>	<b>Financial year</b>	<b>Amount available for set-off from preceding financial years (₹ in Lakhs)</b>	<b>Amount required to be set-off for the financial year, if any (₹ in Lakhs)</b>
			NIL	
6.	Average net profit of the Company as per Section 135(5) of the Act :			₹ 6,365.81
7.	(a) Two percent of average net profit of the Company as per section 135(5) of the Act :			₹ 127.32
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years :			₹ Nil
	(c) Amount required to be set off for the financial year, if any :			₹ Nil
	(d) Total CSR obligation for the financial year (7a+7b-7c) :			₹ 127.32

(a) CSR amount spent or unspent for the financial year :		Amount Unspent (₹ in Lakhs)								
Total amount spent for the Financial Year (₹ in Lakhs)	Total amount transferred to Unspent CSR Account as per Section 135(6) of the Act	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act								
Amount	Date of transfer	Name of the Fund	Date of transfer							
₹ 127.58	₹ Nil	NA	₹ Nil							
(b) Details of CSR amount spent against <b>ongoing projects</b> for the financial year :										
Sl. No.	Name of the Project	Local area (Yes/No)	Location of project	Project duration	Amount allocated for the project (₹ in Lakhs)	Amount spent in the current financial year (₹ in Lakhs)	Amount transferred to Unspent CSR account for the project as per Section 135(6) of the Act (₹ in Lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through Implementing Agency Name	Mode of implementation - Through Implementing Agency CSR Registration number <sup>s</sup>
1	Setting up of a 10 Bedded COVID isolation ward with ventilators at Hope Hospital, Kolkata	Yes	West Bengal	South 24 Parganas	₹ 40.00	No	No	No	Hope Kolkata Foundation	CSR000000338
2	Treatment of hospitalised COVID patients	Yes	West Bengal	Kolkata	₹ 25.00	No	No	Yes	Manwari Relief Society	CSR000006109
3	Contribution of N95 masks and PPE Kits at Tata Memorial Hospital	No	Maharashtra	Mumbai	₹ 57.20	Yes	No	No	NA	NA
4	Free distribution of food packets during/after lockdown	Yes	West Bengal	South 24 Parganas	₹ 5.00	Yes	No	No	Budge-Budge Sevayan	NA
5	Free distribution of food packets during/after lockdown	Yes	West Bengal	South 24 Parganas	₹ 0.38	Yes	No	No	Pathya Niketan	NA
<b>TOTAL</b>					<b>₹ 127.58</b>					
(c) Details of CSR amount spent against <b>other than ongoing projects</b> for the financial year :				NIL						
(d) Amount spent in Administrative Overheads :										
(e) Amount spent on Impact Assessment, if applicable :										
(f) Total amount spent for the Financial Year (8b+8c+8d+8e) :										

₹ Nil  
₹ Nil  
₹ 127.58

<sup>s</sup> CSR Registration is applicable from 1st April, 2021 onwards.

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

(₹ in Lakhs)

Sl. No.	Particular	Amount (₹ in Lakhs)
(g)	Excess amount for set off, if any :	
(i)	Two percent of average net profit of the Company as per Section 135(5) of the Act	₹ 127.32
(ii)	Total amount spent for the financial year	₹ 127.58
(iii)	Excess amount spent for the financial year [(ii) – (i)]	₹ 0.26
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	₹ NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 0.26

9. (a) Details of **Unspent CSR amount** for the preceding three financial years :

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) of the Act (₹ in Lakhs)	Amount spent in the reporting financial year (₹ in Lakhs)	Project duration	Amount transferred to any fund specified under Schedule VII as per Section 135(6) of the Act, if any		Amount remaining to be spent in succeeding financial years (₹ in Lakhs)
					Name of the Fund	Date of transfer	
NIL							

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s) :

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in Lakhs)	Amount spent on the project in the reporting financial year (₹ in Lakhs)	Cumulative amount spent at the end of reporting financial year (₹ in Lakhs)	Status of the project – Completed / Ongoing
NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) :

(a)	(b)	(c)	(d)
Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
			No capital asset was created or acquired by the Company out of the CSR spent in the financial year.

11 Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) of the Act :

Not applicable

For and on behalf of the Board  
**CHEVIOT COMPANY LIMITED**

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

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

Kolkata, 15th May, 2021

## ANNEXURE III TO THE BOARD'S REPORT

(₹ in Lakhs)

### BUSINESS RESPONSIBILITY REPORT

#### Section A: General Information about the Company

1	Corporate Identity Number	L65993WB1897PLC001409			
2	Name of the Company	Cheviot Company Limited			
3	Registered address	24, Park Street, Magma House, 9th Floor, Kolkata 700016			
4	Website	www.groupcheviot.net			
5	E-mail ID	cheviot@chevjute.com			
6	Financial Year reported	1st April, 2020 to 31st March, 2021			
7	Sector(s) engaged in	Code 131, 139 – Manufacturing of Jute Products			
8	Key products manufactured	Manufacturing of Sacking, Hessian and Yarn.			
9	Locations where business activities are undertaken	Jute Mill at Budge Budge; Jute Manufacturing Unit at Falta SEZ; Registered and Corporate Office at Kolkata, all in the State of West Bengal, India.			
10	Markets served by the Company	Local Yes	State Yes	National Yes	International Yes

#### Section B: Financial Details of the Company

1	Paid up Capital (INR)	₹ 626.69
2	Total Turnover (INR)	₹ 39,074.67
3	Total profit after taxes (INR)	₹ 7,572.31
4	Total spending on Corporate Social Responsibility as percentage of profit after tax (%)	₹ 127.58 - 2% of average net profit for three financial years immediately preceding financial year 2020-21.
5	List of activities in which expenditure in 4 above has been incurred	(a) Healthcare (b) Eradicating Hunger

#### Section C: Other Details

1	Does the Company have any Subsidiary Company?	No
2	Do Subsidiary Company participate in the BR initiatives of the parent Company?	NA
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?	No

#### Section D: BR Information

##### 1. Details of Director responsible for BR

a) Details of the director responsible for implementation of the BR policies

1	DIN Number	00060259
2	Name	Mr. Harsh Vardhan Kanoria
3	Designation	Chairman and Managing Director

b) Details of the BR head

No	Particulars	Details
1	DIN Number	00060259
2	Name	Mr. Harsh Vardhan Kanoria
3	Designation	Chairman and Managing Director
4	Telephone number	+91 82320 87911/12/13
5	E-mail ID	cheviot@chevjute.com

## ANNEXURE III TO THE BOARD'S REPORT (Contd.)

### 2. Principle-wise (as per NVGs) BR Policy/policies

a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify?	The policies are based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The CSR committee of the Board inter-alia oversees the implementation of the BR policies.								
6	Indicate the link for the policy to be viewed online?	<a href="https://www.groupcheviot.net/investors-jute/corporate-governance-jute/">https://www.groupcheviot.net/investors-jute/corporate-governance-jute/</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to key internal stakeholders of the Company.								
8	Does the Company have in-house structure to implement the policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policies to address stakeholders' grievances related to the policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	BR Policies are reviewed internally, wherever appropriate.								

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why : (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	Not applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

### 3. Governance related to BR

No.	Particulars	Details
a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.	Business Responsibility performance of the Company is assessed annually.
b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Business Responsibility Report is part of the Annual Report which is published annually and available on the website of the Company ( <a href="https://www.groupcheviot.net">https://www.groupcheviot.net</a> ).

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

### SECTION E: PRINCIPLE-WISE PERFORMANCE

#### PRINCIPLE 1: BUSINESS SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

**1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The policy extends to all the employees of the Company. Members of the Board of Directors and senior management of the Company abide by the Code of Conduct. Whistle Blower Policy/Vigil Mechanism is also in place, which provides opportunity to report any concern about unethical behaviour, actual or suspected fraud or violation of the code of conduct or policies. We encourage ethical behaviour as an essential part of the work culture for all our stakeholders.

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

No complaint was received on the policy/policies adopted by the Company. During financial year 2020-21, the Company had received 8 (eight) complaints from the shareholders relating to non-receipt of annual report, non-receipt of dividend etc. all of which were satisfactorily resolved by the management.

#### PRINCIPLE 2: BUSINESS SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

**1. List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

All jute products manufactured by the Company are 100% natural and bio-degradable. These eco-friendly products are excellent replacement for harmful synthetics and aid in the worldwide battle against global warming. Three key products among them are:

- Jute Sacks, used for packaging of food grains in India, are recyclable and reduce contamination vis a vis their plastic counterparts;
- Jute erosion control products are extensively used to stabilise soil and ease afforestation on river embankments, highway construction projects etc.;
- Jute horticulture products are used internationally to protect saplings and naturally decompose in less than one year.

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

(a) **Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain? and**

(b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

The Company has taken several measures to conserve energy as detailed in **Annexure V** to the Board's Report. Further, jute waste is used as fuel in boiler. The Company has gradually installed modern looms to improve the production process throughout the value chain. The Company is constantly optimising its process by upgrading machinery to minimise the use of energy per unit of production. Rain water collection and harvesting is also an area of emphasis for the Company.

Over the past decade, for every metric tonne of production, your Company has reduced the usage of energy by around 9% through modernisation of looms and other machineries, reduced consumption of coal by almost 95% and reduced consumption of raw material by about 2.71%.

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company chooses its suppliers through a strictly laid out set of procedures and engages with them based on stringent standards. Jute is a rainy season crop, sown from March to May and harvested between June and September. The Company's manufacturing units are located in the State of West Bengal which has the highest area under jute cultivation in India. Raw jute is transported through roadways and stocks are maintained in a sustainable manner.

**4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company procures a majority of raw material from local dealers and suppliers thereby creating a sustainable local sourcing model. The minimum support price (MSP) of raw jute is regulated by the Ministry of Agriculture and Farmers Welfare.



## ANNEXURE III TO THE BOARD'S REPORT (Contd.)

- 5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

We recycle 100% of the waste materials. Different waste materials generated during the process of manufacturing are either reused in the manufacturing process or as boiler fuel.

### PRINCIPLE 3: BUSINESS SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES

No.	Particulars	Details
1	Please indicate the total number of employees:	4,158 employees on roll as on 31st March, 2021.
2	Please indicate the total number of employees hired on temporary/contractual/casual basis:	1,733 temporary/contractual/casual employees as on 31st March, 2021 out of which 230 comprises of Trainees and Apprentices.
3	Please indicate the number of permanent women employees:	54 permanent women employees as on 31st March, 2021.
4	Please indicate the number of permanent employees with disabilities:	There was no permanent employee with disabilities as on 31st March, 2021.
5	Do you have an employee association that is recognised by management:	Yes.
6	What percentage of your permanent employees is members of this recognised employee association?	Nearly 97 %

- 7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year**

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Not Applicable
2	Sexual harassment	Nil	Not Applicable
3	Discriminatory employment	Nil	Not Applicable

- 8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

(a)	Permanent Employees	5.8 %
(b)	Permanent Women Employees	Nil
(c)	Casual/Temporary/Contractual Employees	Nil
(d)	Employees with Disabilities	Nil

### PRINCIPLE 4: BUSINESS SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED.

- 1. Has the Company mapped its internal and external stakeholders? Yes/No**

Yes.

- 2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders.**

Yes, the Company has mapped and identified the vulnerable, marginalised and disadvantaged stakeholders.

- 3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.**

The Company undertook CSR activities for disadvantaged and vulnerable stakeholders in the local areas like organising free eye camps and free cataract operations, restoration of school buildings, free distribution of food packets and such other activities.

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

### PRINCIPLE 5: BUSINESS SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The policy extends to all the employees of the Company. Due recognition and respect for human rights is promoted within the organisation and beyond the workplace. Whistle Blower Policy/Vigil Mechanism is also in place, which provides opportunity to report any concern about human rights violation. Respect for human rights is embedded in the management system and we give adequate attention to assess and manage the human rights impact on our business operations.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

During the financial year 2020-21, the Company did not receive any complaint with regard to violation of human rights.

### PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

**1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

The policy covers only Cheviot Company Limited.

**2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

No. The Company does not have any strategy/initiative to address global environmental issues on climate change, global warming, etc.

**3. Does the Company identify and assess potential environmental risks? Y/N**

Yes. The Company identifies and assesses potential environmental risks at its manufacturing plants. The Company has undertaken river embankment project to stop soil erosion along the Ganges River near the Jute Mill located at Budge Budge, West Bengal.

**4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

Currently, no project related to Clean Development Mechanism has been taken up by the Company.

**5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

The Company has taken several measures to conserve energy as detailed in **Annexure V** to the Board's Report.

**6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes. The emission/waste generated by the Company was within the permissible limits of Central Pollution Control Board/ State Pollution Control Board for the financial year 2020-21.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

No show cause / legal notice was received from Central Pollution Control Board / State Pollution Control Board during the Financial Year 2020-21.

### PRINCIPLE 7: BUSINESS, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

**1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

The Company is a Member of the following trade / chamber / associations:

- (a) Indian Jute Mills Association
- (b) Indian Jute Industries' Research Association
- (c) Indian Chamber of Commerce
- (d) Merchants Chamber of Commerce

## ANNEXURE III TO THE BOARD'S REPORT (Contd.)

(₹ in Lakhs)

- 2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

Yes, the Company advocates to promote the use of eco-friendly jute goods over alternate packaging materials for environmental sustainability. We also sought action against parallel import of jute goods in the country through the association to protect the domestic manufacturers. We share our views through the associations on various schemes and policies introduced by the Government for advancement or improvement of the society at large.

### PRINCIPLE 8: BUSINESS SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

- 1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The CSR Policy of the Company is aimed to support inclusive growth and equitable development by creating infrastructure for advancement of education and healthcare sector.

- 2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?**

Programme / Projects are undertaken through in-house team as well as through other NGOs/Trusts/organisations having established track record.

- 3. Have you done any impact assessment of your initiative?**

The CSR Committee conducts an assessment before initiating any project or program under CSR. The members of the CSR Committee visit the local areas and collect feedback from local community to identify the areas which requires attention and support. The CSR activities are monitored throughout the implementation phase.

- 4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.**

The Company has spent ₹ 127.58 as part of its CSR initiatives as detailed in Annual Report on Corporate Social Responsibility (CSR) activities. The details of the projects undertaken are available in **Annexure II** to the Board's Report.

- 5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes. The Company has taken all possible steps to ensure that these programs are successfully adopted by the community. The members of the CSR committee personally interact with the beneficiaries to ensure that the CSR initiative is successfully adopted by the community.

### PRINCIPLE 9: BUSINESS SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

- 1. What percentage of customer complaint/consumer cases are pending as on the end of financial year?**

At Cheviot, we believe in total quality management and enhancement of shareholders value. No customer complaint/consumer case is pending as on the end of financial year. The Company is committed to supply the finest quality of jute goods in the international market.

- 2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)**

Company ensures full compliance with applicable laws and regulations.

- 3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No case has been filed against the Company in relation to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years.

- 4. Did your Company carry out any consumer survey/consumer satisfaction trends?**

The Company takes customer feedback at regular intervals to develop product in accordance with the customer requirements. Such feedback also helps to assess the level of customer satisfaction.

For and on behalf of the Board  
**CHEVIOT COMPANY LIMITED**

**Harsh Vardhan Kanoria**

Chairman and Managing Director,  
Chief Executive Officer  
DIN : 00060259

Kolkata, 15th May, 2021

## ANNEXURE IV TO THE BOARD'S REPORT

### PARTICULARS OF REMUNERATION

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

<b>(i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year :</b>	
<b>Directors</b>	<b>Ratio</b>
Mr. Harsh Vardhan Kanoria, Chairman and Managing Director, Chief Executive Officer	183:1
Mr. Nawal Kishore Kejriwal, Wholetime Director §	9:1
Mr. Utkarsh Kanoria, Wholetime Director	175:1
Mr. Navin Nayar, Independent Director	3:1
Mr. Padam Kumar Khaitan, Independent Director	3:1
Mrs. Rashmi Prashad, Independent Director	3:1
Mr. Sushil Kumar Dhandhanian, Independent Director	3:1
Mrs. Malati Kanoria, Non Executive Director	3:1
<b>(ii) The percentage increase in remuneration of each director, chief financial officer, chief executive officer, company secretary in the financial year :</b>	
<b>Directors / Key Managerial Personnel</b>	<b>% Increase / (Decrease)</b>
Mr. Harsh Vardhan Kanoria, Chairman and Managing Director, Chief Executive Officer	(12)%
Mr. Nawal Kishore Kejriwal, Wholetime Director §	#
Mr. Utkarsh Kanoria, Wholetime Director	37%
Mr. Navin Nayar, Independent Director	3%
Mr. Padam Kumar Khaitan, Independent Director	3%
Mrs. Rashmi Prashad, Independent Director	1%
Mr. Sushil Kumar Dhandhanian, Independent Director	2%
Mrs. Malati Kanoria, Non Executive Director	4%
Mr. Madhup Kumar Patni, Chief Financial Officer	10%
Mr. Aditya Banerjee, Company Secretary	3%
<b>(iii) The percentage increase in the median remuneration of employees in the financial year :</b>	
	2%
<b>(iv) The number of permanent employees on the rolls of Company : (as on 31st March, 2021)</b>	
	4,158 employees
<b>(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :</b>	
The overall managerial remuneration has decreased by 11% compared to previous financial year. There was no exceptional increase in the managerial remuneration. Managerial remuneration was paid in accordance with the terms of appointment approved by the members and within the permissible limits under Section 197 of the Companies Act, 2013.	
<b>(vi) Affirmation that the remuneration is as per the remuneration policy of the Company :</b>	
The Company affirms that the remuneration paid to employees, who are covered under Remuneration Policy, is in accordance with the Remuneration Policy of the Company.	

§ Retired on completion of his term of office on 31st May, 2020 and therefore, the information is not comparable.

For and on behalf of the Board  
**CHEVIOT COMPANY LIMITED**

**Harsh Vardhan Kanoria**

Chairman and Managing Director,  
Chief Executive Officer  
DIN : 00060259

Kolkata, 15th May, 2021

## ANNEXURE V TO THE BOARD'S REPORT

(₹ in Lakhs)

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Pursuant to 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 are taken for conservation of energy during the year to reduce consumption of energy :
		(i) Replacement of conventional lighting with energy efficient LED lighting at various locations within the factory premises;
		(ii) Retrofitting and replacement of induction motors with new IE2 higher efficiency category motor;
		(iii) Insulation of steam pipe line and air-compressor pipe line;
		(iv) Optimum loading of motor or re-sizing of motor capacity according to application;
		(v) Replacement of age old capacitor banks to improve Line Power Factor;
		(vi) Gradual modification of conventional spinning frames;
		(vii) Installation of KVAR capacitors.
(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) Use of jute waste as fuel in Boilers.
		(ii) Possibility of solar power generation is under study.
(iii)	The capital investment on energy conservation equipment	During the year under review, there was no capital investment on energy conservation equipment. All energy conservation measures were consumable in nature.

#### B. Technology Absorption

(i)	The efforts made towards technology absorption	The Company strives to adopt latest technology available for Jute Industry and takes required measures for upgradation of machineries in the most efficient manner.
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	Cost reduction through sustainable use of resources.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -	No technology has been imported during the last three years.
	a) the details of technology imported	
	b) the year of import	
	c) whether the technology been fully absorbed	
	d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	
(iv)	the expenditure incurred on research and development	Nil.

#### C. Foreign Exchange earnings and outgo

- (i) Foreign exchange earned during the year in terms of actual inflow: ₹ 15,614.15 (P.Y. ₹ 15,921.36).  
(ii) Foreign exchange outgo during the year in terms of actual outflow: ₹ 1,764.66 (P.Y. ₹ 1,751.49).

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

Kolkata, 15th May, 2021

## ANNEXURE VI TO THE BOARD'S REPORT

Form No. MR – 3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

To

The Members,

**CHEVIOT COMPANY LIMITED**

**24, PARK STREET, "MAGMA HOUSE"**

**9TH FLOOR, KOLKATA-700016, WEST BENGAL**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 ("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, 2021 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, 2018 (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 Companies Act and dealing with client (To the extent applicable);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the audit period);
  - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
  - (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.

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

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

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

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

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

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

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors. The changes in the composition of Board of Directors during the period under review and the composition of Board of Directors of the Company are 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 due to the spread of COVID-19 pandemic, compliances had been made considering the various relaxations granted, from time to time, by the Securities and Exchange Board of India and the Ministry of Corporate Affairs and other Regulatory authorities, as applicable.

We further report that during the audit period, the Company :

- (i) had obtained consent of shareholders of the Company at the AGM held on 14th August, 2020 for re-appointment of Mr. Harsh Vardhan Kanoria (holding DIN 00060259), as Chairman and Managing Director of the Company for a further period of 5 (five) years with effect from 1st August, 2020,
- (ii) had made cash offer for buy-back of 2,00,000 nos. of ordinary shares of face value of ₹ 10/- each on a proportionate basis through tender offer route at a price of ₹ 900/- per share for an aggregate consideration of ₹ 18,00,00,000/-.

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

**[CS Sneha Khaitan]**

Partner

Membership No. : A34458

C P No.:14929

UDIN NO. : A034458C000335088

Place : Kolkata

Date : 15th May, 2021

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

### "ANNEXURE – A"

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

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

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

For **MR & Associates**  
Company Secretaries

**[CS Sneha Khaitan]**  
Partner

Membership No. : A34458

C P No.:14929

UDIN NO. : A034458C000335088

Place : Kolkata  
Date : 15th May, 2021



## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CHEVIOT COMPANY LIMITED

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Cheviot Company Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

The key audit matter	How our audit addressed the key audit matter
<p><b>Valuation of Inventories</b></p> <p>Refer to note 14 to the financial statements. As described in the accounting policies in note 3.1 to the financial statements, inventories are carried at the lower of cost and net realisable value. As a result, the management applies judgment in determining the appropriate provisions for obsolete stock based upon a detailed analysis of old inventory, net realisable value below cost based upon future plans for sale of inventory.</p>	<p>We obtained assurance over the appropriateness of the management's assumptions applied in calculating the value of the inventories and related provisions by:-</p> <ol style="list-style-type: none"> <li>1. Completing a walkthrough of the inventory valuation process and assessed the design and implementation of the key controls addressing the risk.</li> <li>2. Verifying the effectiveness of key inventory controls operating over inventories; including sample based physical verification.</li> </ol>

## INDEPENDENT AUDITORS' REPORT (Contd.)

The key audit matter	How our audit addressed the key audit matter
	3. Verifying for a sample of individual products that costs have been correctly recorded. 4. Comparing the net realisable value to the cost price of inventories to check for completeness of the associated provision. 5. Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year. 6. Recomputing provisions recorded to verify that they are in line with the Company policy. <b>Our Observation:</b> Based on the audit procedures performed, we are satisfied that the valuation of inventories is appropriate.
<b>B. Valuation and existence of Non-Current and Current Investments</b> Refer note 9 and 15 to the financial statements. The company holds Non-Current and Current Investments amounting to ₹ 19,324.90 lakhs and ₹ 12,913.64 lakhs respectively which represents 43.61% of total assets as at March 31, 2021. The Investments comprise of mutual funds, debenture and bonds, government securities, preference shares and Alternate Investment Fund and are majorly actively traded with readily available quoted market prices / net assets value. The investments being financial instruments needs to be appropriately designated at fair value through profit or loss, fair value through other comprehensive income (not to be recycled) or at amortised cost. Further, these financial instruments need to be valued and classified as Level 1, 2 or 3 financial instruments as per the fair value hierarchy. This was an area of focus for our audit and the area where significant audit effort was directed.	Our audit procedures included: 1. We understood, assessed and tested the design and operating effectiveness of key controls surrounding fair valuation of investments. 2. We have obtained demat account holding statement / confirmations, Mutual fund and Alternate Investment Fund statements to verify the existence and ownership of the Company's Investment portfolio. 3. We have verified on sample basis the fair valuation of all Investments held as at March 31, 2021 to the Net Assets Value provided by the respective Mutual funds and Alternate Investment Funds, market value of quoted equity and preference shares, debenture and bonds and government securities from source data and tested the arithmetical accuracy of the calculation of valuation of investments. 4. We assessed the adequacy of the Company's disclosures. <b>Our Observation:</b> Based on the audit procedures performed, we are satisfied with valuation and existence of non-current and current investment.

### Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended
  - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) In our opinion and according to the information and explanations given to us, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its financial statements - Refer Note 46.1 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund ("IEPF") by the Company.

For **Singhi & Co.,**  
Chartered Accountants  
Firm's Registration No. 302049E  
**Ankit Dhelia**  
Partner  
Membership No. 069178  
UDIN : 21069178AAAAAR1963

Place : Kolkata  
Date : May 15, 2021

### Annexure 'A' to the Independent Auditors' Report

(Referred to in paragraph 1 with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to Statutory Audit of **Cheviot Company Limited** for the year ended March 31, 2021)

We report that:

- i. In respect of its Property, Plant & Equipment:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.
  - b) As explained to us, property, plant and equipment have been physically verified during the year by the management in a phased manner in accordance with a planned programme of verifying them once in three years and no material discrepancies have been noticed on such physical verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant & equipment are held in the name of the Company. However, the Company is in the process of registration of certain portion of land at Budge Budge in it's name.
- ii. In respect of inventories, physical verification has been conducted at reasonable intervals during the year by the management and in our opinion the frequency of verification is reasonable. According to the information and explanation given to us, no material discrepancies were noticed on physical verification of inventories as compared to the book records. Inventories lying with outside parties have been confirmed by them at the year end.
- iii. The Company has not granted any loan to parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clause 3 (iii) of the order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to the loans and investments made. The Company has neither issued any guarantee nor has provided any security on behalf of any party.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from public within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year. Accordingly, clause 3 (v) of the order is not applicable to the Company.
- vi. We have broadly reviewed the accounts and records maintained by the Company pursuant to the Order made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013. We are of the opinion, that prime-facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same.

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

- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, the dues of goods and service tax, sales tax, income tax, duty of customs, duty of excise, service tax and value added tax which have not been deposited on account of any dispute and the forum where the dispute is pending as on March 31, 2021 are as under :-

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	31.04	F.Y. 2010-11	Commissioner of Income tax (Appeals)
		23.91	F.Y. 2015-16	Commissioner of Income tax (Appeals)
		40.13	F.Y. 2016-17	Commissioner of Income tax (Appeals)
		53.46	F.Y. 2017-18	Commissioner of Income tax (Appeals)

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

For **Singhi & Co.,**  
Chartered Accountants  
Firm's Registration No. 302049E  
**Ankit Dhelia**  
Partner  
Membership No. 069178  
UDIN : 21069178AAAAAR1963

Place : Kolkata  
Date : May 15, 2021

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

### Annexure - 'B' to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting with reference to these financial statements of **CHEVIOT COMPANY LIMITED** ("the Company") as of March 31, 2021 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 Board of Directors of the Company 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 respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting with reference to these financial statements 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 with reference to these financial statements 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statement included obtaining an understanding of internal financial controls with reference to financial statement, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of internal financial controls over financial reporting with reference to these financial statements**

A Company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements 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

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

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.

### **Limitations of Internal Financial Controls over financial reporting with reference to these financial statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to financial statement to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2021, based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Singhi & Co.,**  
*Chartered Accountants*  
Firm's Registration No. 302049E  
**Ankit Dhelia**  
*Partner*  
Membership No. 069178  
UDIN : 21069178AAAAAR1963

Place : Kolkata  
Date : May 15, 2021



**BALANCE SHEET**

as at 31st March, 2021

(₹ in Lakhs)

Particulars	Notes	As at 31st March 2021	As at 31st March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	5	21,422.24	21,780.83
(b) Capital work-in-progress		3,222.71	2,595.93
(c) Right of use assets	6	116.07	146.74
(d) Investment property	7	21.36	21.80
(e) Other intangible assets	8	12.39	21.95
(f) Financial assets			
(i) Investments	9	19,324.90	19,657.77
(ii) Loans	10	22.53	22.53
(iii) Other financial assets	11	1,378.33	1,845.99
(g) Non-current tax assets (net)	12	114.90	116.28
(h) Other non-current assets	13	323.29	255.36
<b>Total non-current assets</b>		<b>45,958.72</b>	<b>46,465.18</b>
<b>Current assets</b>			
(a) Inventories	14	8,215.34	8,160.03
(b) Financial assets			
(i) Investments	15	12,913.64	5,903.91
(ii) Trade receivables	16	4,207.40	3,420.00
(iii) Cash and cash equivalents	17	404.96	1,139.55
(iv) Other bank balances other than Note - 17	18	928.44	987.17
(v) Other financial assets	19	350.37	232.88
(c) Other current assets	20	950.74	1,326.29
<b>Total current assets</b>		<b>27,970.89</b>	<b>21,169.83</b>
<b>TOTAL ASSETS</b>		<b>73,929.61</b>	<b>67,635.01</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	21	627.04	647.04
(b) Other equity	22	67,590.14	61,669.56
<b>Total equity</b>		<b>68,217.18</b>	<b>62,316.60</b>
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	23	22.23	37.04
(ii) Lease liabilities	24	81.47	110.72
(iii) Other financial liabilities	25	153.30	135.55
(b) Provisions	26	31.15	61.27
(c) Deferred tax liabilities (net)	27	2,338.80	2,243.47
(d) Other non-current liabilities	28	46.47	65.20
<b>Total non-current liabilities</b>		<b>2,673.42</b>	<b>2,653.25</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	29	819.41	416.44
(ii) Lease liabilities	30	29.25	26.76
(iii) Trade payables	31	-	-
- Total outstanding dues of micro enterprises and small enterprises		-	1.50
- Total outstanding dues of creditors other than micro enterprises and small enterprises		408.39	357.26
(iv) Other financial liabilities	32	1,267.77	1,462.26
(b) Other current liabilities	33	173.85	187.73
(c) Provisions	34	175.75	213.21
(d) Current tax liabilities (net)	35	164.59	-
<b>Total current liabilities</b>		<b>3,039.01</b>	<b>2,665.16</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>73,929.61</b>	<b>67,635.01</b>
Basis of accounting	2		
Significant accounting policies	3		
Significant judgement & key estimate	4		

The accompanying notes are an integral part of the financial statements

As per our report attached

For **Singhi & Co.**  
Chartered Accountants  
Firm's Registration No. 302049E

**Ankit Dhelia**  
Partner  
Membership No. 069178

Place : Kolkata  
Dated the 15th day of May, 2021

**Madhup Kumar Patni**  
Chief Financial Officer

**Aditya Banerjee**  
Company Secretary

For and on behalf of the Board

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

**Utkarsh Kanoria**  
Wholetime Director  
(DIN : 06950837)

**Navin Nayar**  
Director  
(DIN : 00136057)

## STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	Notes	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>I</b> Revenue from operations	36	39,575.57	45,804.59
<b>II</b> Other income	37	4,554.73	971.61
<b>III Total income (I+II)</b>		<b>44,130.30</b>	<b>46,776.20</b>
<b>IV Expenses</b>			
Cost of materials consumed	38	23,078.03	24,832.03
Changes in inventories of finished goods and work-in-progress	39	(781.02)	78.04
Employee benefits expense	40	5,783.46	7,618.07
Finance costs	41	43.95	36.70
Depreciation and amortisation expense	42	450.36	430.58
Other expenses	43	6,253.74	7,596.08
<b>Total expenses (IV)</b>		<b>34,828.52</b>	<b>40,591.50</b>
<b>V Profit before exceptional items and tax (III-IV)</b>		<b>9,301.78</b>	<b>6,184.70</b>
<b>VI Add : Exceptional items</b>		-	-
<b>VII Profit before tax (V+VI)</b>		<b>9,301.78</b>	<b>6,184.70</b>
<b>VIII Tax expense</b>	44		
a) Current tax		1,445.00	1,492.00
b) Deferred tax		231.00	(100.69)
c) Tax for earlier years (net)		53.47	(18.73)
<b>IX Profit for the year (VII- VIII)</b>		<b>7,572.31</b>	<b>4,812.12</b>
<b>X Other comprehensive income</b>			
A. Items that will not be reclassified to profit or loss			
(i) Changes in revaluation surplus		-	-
(ii) Remeasurements of the defined benefit plans		400.02	124.22
(iii) Equity instruments through other comprehensive income		138.78	(24.66)
(iv) Income tax relating to items that will not be reclassified to profit or loss		(4.14)	(39.12)
B. Items that will be reclassified to profit or loss			
(i) Debt instruments through other comprehensive income		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>XI Other comprehensive income for the year [(A(i+ii+iii-iv) +B(i-ii))]</b>		<b>542.94</b>	<b>138.68</b>
<b>XII Total comprehensive income for the year (IX+XI)</b>		<b>8,115.25</b>	<b>4,950.80</b>
<b>XIII Earnings per equity share (Face value of ₹ 10 /- each )</b>	45		
a) Basic (in ₹ )		118.43	74.41
b) Diluted (in ₹ )		118.43	74.41
Basis of accounting	2		
Significant accounting policies	3		
Significant judgement & key estimate	4		

The accompanying notes are an integral part of the financial statements

As per our report attached

For **Singhi & Co.**  
Chartered Accountants  
Firm's Registration No. 302049E

**Ankit Dhelia**  
Partner  
Membership No. 069178

Place : Kolkata  
Dated the 15th day of May, 2021

**Madhup Kumar Patni**  
Chief Financial Officer

**Aditya Banerjee**  
Company Secretary

For and on behalf of the Board

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

**Utkarsh Kanoria**  
Wholetime Director  
(DIN : 06950837)

**Navin Nayar**  
Director  
(DIN : 00136057)

## STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	Amount
<b>a) Equity share capital</b>	
Balance as at 1st April, 2019	647.04
Add: Changes in equity share capital during the year	-
Balance as at 31st March, 2020	647.04
Less : Changes in equity share capital [ Refer Note 21 ( e ) ]	20.00
Balance as at 31st March, 2021	<b>627.04</b>

### b) Other equity

Particulars	Reserves & surplus					Items of other comprehensive income			Total
	Capital reserve	General reserve	Capital redemption reserve	Special economic zone re-investment reserve account	Retained earnings	Equity instruments through other comprehensive income	Revaluation surplus	Remeasurements of the defined benefit plans	
<b>Balance as at 1st April, 2019</b>	0.24	39,976.31	29.92	300.65	5,097.75	-	15,132.01	-	<b>60,538.88</b>
Profit for the year	-	-	-	-	4,812.12	-	-	-	4,812.12
Other comprehensive income (net of taxes) *	-	-	-	-	-	(21.86)	67.58	92.96	138.68
<b>Total comprehensive income</b>	-	-	-	-	<b>4,812.12</b>	<b>(21.86)</b>	<b>67.58</b>	<b>92.96</b>	<b>4,950.80</b>
Final dividend paid for F.Y.2018-19	-	-	-	-	(64.67)	-	-	-	(64.67)
Special interim dividend paid for F.Y.2019-20	-	-	-	-	(3,104.10)	-	-	-	(3,104.10)
Dividend distribution tax	-	-	-	-	(651.35)	-	-	-	(651.35)
Reclassification from other comprehensive income to retained earnings	-	-	-	-	31.85	(31.85)	-	-	-
Transfer from other comprehensive income (remeasurement gain/loss net of tax) to retained earnings	-	-	-	-	92.96	-	-	(92.96)	-
Transfer from special economic zone re-investment reserve account	-	152.83	-	(152.83)	-	-	-	-	-
<b>Balance as at 31st March, 2020</b>	<b>0.24</b>	<b>40,131.14</b>	<b>29.92</b>	<b>147.82</b>	<b>6,214.56</b>	<b>(53.71)</b>	<b>15,199.59</b>	<b>-</b>	<b>61,669.56</b>

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

## STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2021 (Contd.)

Particulars	Reserves & surplus					Items of other comprehensive income			Total
	Capital reserve	General reserve	Capital redemption reserve	Special economic zone re-investment reserve account	Retained earnings	Equity instruments through other comprehensive income	Revaluation surplus	Remeasurements of the defined benefit plans	
<b>Balance as at 31st March, 2020</b>	<b>0.24</b>	<b>40,131.14</b>	<b>29.92</b>	<b>147.82</b>	<b>6,214.56</b>	<b>(53.71)</b>	<b>15,199.59</b>	-	<b>61,669.56</b>
Profit for the year	-	-	-	-	7,572.31	-	-	-	7,572.31
Other comprehensive income (net of taxes) *	-	-	-	-	-	123.18	120.42	299.34	542.94
<b>Total comprehensive income</b>	-	-	-	-	<b>7,572.31</b>	<b>123.18</b>	<b>120.42</b>	<b>299.34</b>	<b>8,115.25</b>
Transfer/utilisation on account of buyback of ordinary shares [Refer Note - 21 (e)]	-	(1,800.00)	20.00	-	-	-	-	-	(1,780.00)
Payment of tax on buyback of ordinary shares	-	(414.67)	-	-	-	-	-	-	(414.67)
Reclassification from other comprehensive income to retained earnings	-	-	-	-	69.47	(69.47)	-	-	-
Transfer from other comprehensive income (remeasurement gain/loss net of tax) to retained earnings	-	-	-	-	-	-	-	(299.34)	-
Transfer from special economic zone re-investment reserve account	-	147.82	-	(147.82)	-	-	-	-	-
<b>Balance as at 31st March, 2021</b>	<b>0.24</b>	<b>38,064.29</b>	<b>49.92</b>	-	<b>14,155.68</b>	-	<b>15,320.01</b>	-	<b>67,590.14</b>

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

The accompanying notes are an integral part of the financial statements

As per our report attached

For **Singhi & Co.**

Chartered Accountants

Firm's Registration No. 302049E

**Ankit Dhelia**

Partner

Membership No. 069178

Place : Kolkata

Dated the 15th day of May, 2021

For and on behalf of the Board

**Harsh Vardhan Kanoria**

Chairman and Managing Director,

Chief Executive Officer

(DIN : 00060259)

Wholetime Director

(DIN : 06950837)

**Utkarsh Kanoria**

**Aditya Baneerjee**

Company Secretary

**Navin Nayar**

Director

(DIN : 00136057)

## STATEMENT OF CASH FLOW

for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net profit before tax as per statement of profit and loss</b>	9,301.78	6,184.70
Adjustments for:		
Depreciation and amortisation expense	450.36	430.58
Unrealised foreign exchange (gain)/loss	(23.34)	(15.71)
Income from deferred revenue grant	(22.31)	(19.81)
Net (gain)/loss on sale of investments measured at FVTPL	(1,018.42)	178.46
Net (gain)/loss on fair value changes of investments measured at FVTPL	(2,520.18)	191.89
Profit on sale of property, plant and equipment (net)	(27.15)	(8.71)
Interest income	(985.45)	(720.05)
Dividend income	(7.75)	(263.41)
Rental income	(1.82)	(5.32)
Property, plant and equipment & other intangible assets written off	0.06	-
Bad debt / sundry balances written off	-	22.54
Finance costs	43.95	36.70
Liabilities / provision written back	(5.10)	(83.47)
	(4,117.15)	(256.31)
<b>Operating profit before working capital changes</b>	<b>5,184.63</b>	<b>5,928.39</b>
Adjustments for:		
(Increase)/decrease in inventories	(55.31)	(126.74)
(Increase)/decrease in trade receivables	(765.30)	(196.31)
(Increase)/decrease in other financial assets	(47.68)	(41.96)
(Increase)/decrease in other assets	789.62	503.41
Increase/(decrease) in trade payables	55.31	(158.64)
Increase/(decrease) in other financial liabilities	(142.57)	(96.88)
Increase/(decrease) in provisions	(67.58)	(115.25)
Increase/(decrease) in other liabilities	(10.30)	(36.16)
	(243.81)	(268.53)
<b>Cash generated from operations</b>	<b>4,940.82</b>	<b>5,659.86</b>
Direct taxes paid (net of refunds)	(1,456.63)	(1,645.43)
<b>Net cash from operating activities</b>	<b>3,484.19</b>	<b>4,014.43</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and other intangible assets (including changes in capital work-in-progress, capital advances/ creditors)	(782.40)	(1,431.07)
Sale of property, plant and equipment	59.21	13.56
Purchase of investments	(23,840.63)	(23,112.83)
Sale of investments	20,785.61	24,923.05
(Investment)/redemption of fixed deposits with a maturity more than 90 days	467.70	(1,628.25)
Rent received	1.82	5.32
Interest received	971.42	678.23
Dividend received	9.27	262.69
<b>Net cash (used in) investing activities</b>	<b>(2,328.00)</b>	<b>(289.30)</b>

## STATEMENT OF CASH FLOW

for the year ended 31st March, 2021 (Contd.)

(in ₹ Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of non-current borrowings	(18.61)	(29.81)
Payment of lease liabilities (including interest thereon)	(37.40)	(22.76)
Proceeds from current borrowings (net)	402.97	416.44
Payment for buyback of ordinary shares	(1,800.00)	-
Payment of tax on buyback of ordinary shares	(414.67)	-
Dividend paid	-	(3,168.77)
Dividend distribution tax paid	-	(651.35)
Interest and other finance charges paid	(23.72)	(29.45)
<b>Net cash (used in) financing activities</b>	<b>(1,891.43)</b>	<b>(3,485.70)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(735.24)</b>	<b>239.43</b>
Cash and cash equivalents (opening balance)	1,139.55	893.02
Effect of exchange rate changes on cash and cash equivalents	0.65	7.10
Cash and cash equivalents (closing balance)	<b>404.96</b>	<b>1,139.55</b>

### Notes :

1. Cash and cash equivalents (Refer Note - 17) included in the cash flow statement comprise the following balance sheet amounts:

Cash on hand	4.58	5.85
Cheques on hand	5.97	0.64
Balances with banks		
- in current accounts	394.41	1,133.06
Cash and cash equivalents (closing balance)	<b>404.96</b>	<b>1,139.55</b>

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

3. Statement of reconciliation of financing activities :

Particulars	Borrowings (Non-current) (including current maturities)	Borrowings (Current)
<b>Balance as at 1st April, 2019 (including interest accrued thereon)</b>	85.66	-
Cash flow (net)	(29.81)	416.44
Non-cash changes		
- Fair value changes	-	-
Interest expense	7.12	9.49
Interest paid	(7.26)	(9.49)
<b>Balance as at 31st March, 2020 (including interest accrued thereon)</b>	<b>55.71</b>	<b>416.44</b>
Cash flow (net)	(18.61)	402.97
Non-cash changes		
- Fair value changes	-	-
Interest expense	4.44	14.01
Interest paid	(4.50)	(14.01)
<b>Balance as at 31st March, 2021 (including interest accrued thereon)</b>	<b>37.04</b>	<b>819.41</b>

4. Previous year's figures have been re-grouped / re-classified, wherever necessary, to make them comparable to the current year's presentation.

The accompanying notes are an integral part of the financial statements

As per our report attached

For **Singhi & Co.**  
Chartered Accountants  
Firm's Registration No. 302049E

**Ankit Dhelia**  
Partner  
Membership No. 069178

Place : Kolkata  
Dated the 15th day of May, 2021

**Madhup Kumar Patni**  
Chief Financial Officer

**Aditya Banerjee**  
Company Secretary

For and on behalf of the Board

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

**Utkarsh Kanoria**  
Wholtime Director  
(DIN : 06950837)

**Navin Nayar**  
Director  
(DIN : 00136057)

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

## 1. CORPORATE AND GENERAL INFORMATION

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

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

## 2. BASIS OF ACCOUNTING

### 2.1. Statement of Compliance

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

The financial statements of the Company for the year ended 31st March, 2021 have been approved and authorised for issue by the Board of Directors in their meeting held on 15th May, 2021.

### 2.2. Basis of Measurement

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

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

### 2.3. Functional and Presentation Currency

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

### 2.4. Use of Estimates and Judgements

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

### 2.5. Current Vs Non-Current classification

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

An asset is classified as current when it is:

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

All the other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

### 2.6. Adoption of new Accounting Standards

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Ministry of Corporate Affairs on July 24, 2020 notified the Companies (Indian Accounting Standards) Amendment Rules, 2020, thereby amending the Rules of 2015. The Company has applied the amendments to following accounting standards for the first time during the financial year 2020-21 :-

- IND AS 103 – Business Combination
- IND AS 107 – Disclosures to be made in respect of financial instruments
- IND AS 109 – Financial reporting of financial assets and financial liabilities
- IND AS 116 – Accounting for Leases
- IND AS 1 & 8 – Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors
- IND AS 10 – Events after the Reporting Period
- IND AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendments to accounting standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current and future periods.

### 3. SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements are given below. These accounting policies have been applied consistently to all the periods presented in the financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### 3.1. Inventories

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

#### 3.2. Cash and Cash Equivalents

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

#### 3.3. Income Tax

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

##### a) Current Tax

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



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

### b) Deferred Tax

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

### 3.4. Property, Plant and Equipment

#### a) Recognition and Measurement:

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

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

### b) Subsequent Expenditure

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

### c) Depreciation and Amortisation

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

### d) Disposal of Assets

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

### e) Reclassification to Investment Property

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

### f) Capital Work in Progress

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

## 3.5. Leases

### a) Company as a Lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

### b) Company as a Lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

### (i) Right-of-Use Assets (ROU Assets)

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 3.12 Impairment of non-financial assets.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

### (ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### (iii) Short-term Leases and Leases of Low-Value Assets

The Company applies the short-term lease recognition exemption to its short-term leases of Property, Plant & Equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## 3.6. Revenue Recognition

### a) **Sale of Goods**

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

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

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

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

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

### b) Interest Income

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

### c) Dividend Income

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

### d) Other Operating Revenue

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

Insurance claims are accounted to the extent the Company is reasonably certain of their ultimate collection.

## 3.7. Employee Benefits

### a) Short Term Employee Benefits

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

### b) Other Long Term Employee Benefits

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

### c) Post Employment Benefits

The Company operates the following post employment schemes:

- **Defined Benefit Plans**

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

The liability recognised for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the rate of

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

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

- **Defined Contribution Plan**

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

**d) Termination Benefit**

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

### 3.8. Government Grants

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

### 3.9. Foreign Currency Transactions

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

### 3.10. Borrowing Cost

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

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

### 3.11. Financial Instruments

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

#### a) Financial Assets

- **Recognition and Initial Measurement:**

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

- **Classification and Subsequent Measurement:**

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

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

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

- Measured at amortised cost:

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

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

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

- Measured at FVTOCI:

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

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

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

- Measured at FVTPL:

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

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

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

➤ Equity instruments measured at FVTOCI:

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

- **Derecognition**

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

- **Impairment of Financial Assets**

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

### b) Financial Liabilities

- **Recognition and Initial Measurement:**

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

- **Subsequent Measurement:**

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

- **Derecognition**

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

- **Offsetting Financial Instruments**

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

### c) Derivative Financial Instruments:

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

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

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

### 3.12. Impairment of Non-Financial Assets

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

### 3.13. Provisions, Contingent Liabilities and Contingent Assets

#### a) Provisions

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

#### Onerous Contracts:

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

#### b) Contingent Liabilities

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

#### c) Contingent Assets

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

### 3.14. Intangible Assets

#### a) Recognition and Measurement

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

#### b) Subsequent Expenditure

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



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

### c) Amortisation

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

### d) Intangible Assets under Development

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

### 3.15. Investment Properties

- Investment property is property (comprising land or building or both) held to earn rental income or for capital appreciation or both, but not for sale in ordinary course of business, used in the production or supply of goods or services or for administrative purposes.
- Upon initial recognition, an investment property is measured at cost. Subsequently they are stated in the balance sheet at cost, less accumulated depreciation/amortisation and accumulated impairment losses, if any.
- Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the statement of profit and loss.
- The depreciable investment property i.e., buildings, are depreciated on a straight line method at a rate determined based on the useful life as provided under Schedule II of the Act.
- Leasehold land is amortised on a straight line basis over the period of lease.
- Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from the use and no future economic benefit is expected from their disposal. The net difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

### 3.16. Non-Current Assets (or disposal groups) held for Sale and Discontinued Operations

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

### 3.17. Earnings Per Share

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

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

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

### 3.18. Cash Dividend Distribution to Equity Holders

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

### 3.19. Measurement of Fair Values

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

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

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

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

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

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

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Inputs which are unobservable inputs for the asset or liability.

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

### 3.20. New Standards / Amendments to Existing Standards / Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2021.

On March 24, 2021, the MCA through notification amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

#### Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Current maturities of Long-term borrowings shall be disclosed separately under the heading Short Term Borrowing.
- Security Deposits to be shown under the head of Other Non Current Assets instead of Long term Loan & Advances.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Ratios - Following Ratios to be disclosed: -  
(a) Current Ratio, (b) Debt-Equity Ratio, (c) Debt Service Coverage Ratio, (d) Return on Equity Ratio, (e) Inventory turnover ratio, (f) Trade Receivables turnover ratio, (g) Trade payables turnover ratio, (h) Net capital turnover ratio, (i) Net profit ratio, (j) Return on Capital employed, (k) Return on investment.

### Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

#### 4. SIGNIFICANT JUDGEMENTS AND KEY SOURCES OF ESTIMATION IN APPLYING ACCOUNTING POLICIES

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

##### a) Recognition of Deferred Tax Assets:

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

##### b) Useful Lives of Depreciable/ Amortisable Assets (Property, Plant and Equipment and Intangible Assets):

Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.

##### c) Extension and Termination Option in Leases :

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Company.

##### d) Defined Benefit Obligation (DBO):

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

##### e) Provisions and Contingencies:

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS – 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

**f) Impairment of Financial Assets:**

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.

**g) Allowances for Doubtful Debts:**

The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

**h) Fair Value Measurement of Financial Instruments:**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The input to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

**i) Estimation of uncertainties relating to the Global Health Pandemic from COVID-19 :**

The Company has considered internal and certain external sources of information up to the date of approval of the financial statements in determining the impact of COVID-19 pandemic on various elements of its financial statements. The management has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the management expects to fully recover the carrying amount of inventories, trade receivables, investments and other assets. However, the eventual outcome of the impact of the COVID-19 pandemic may be different from those estimated as on the date of approval of these financial statements owing to the nature and duration of COVID-19 pandemic.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

### 5. PROPERTY, PLANT AND EQUIPMENT

Particulars	Land		Buildings	Plant and machinery	Electrical installations and equipments	Furniture and fixtures	Vehicles	Office equipments	Total
	Freehold	Leasehold							
<b>Cost</b>									
<b>As at 1st April, 2019</b>	16,990.92	15.60	7,896.25	12,291.63	1,457.24	349.60	163.39	271.71	39,436.34
Additions	-	-	16.94	338.64	18.94	1.16	18.85	13.44	407.97
Disposals	-	-	-	15.98	1.97	-	13.62	1.57	33.14
Re-classified to Right of use assets (Refer Note - 6)	-	15.60	-	-	-	-	-	-	15.60
<b>As at 31st March, 2020</b>	<b>16,990.92</b>	<b>-</b>	<b>7,913.19</b>	<b>12,614.29</b>	<b>1,474.21</b>	<b>350.76</b>	<b>168.62</b>	<b>283.58</b>	<b>39,795.57</b>
Additions	-	-	-	60.89	0.82	-	17.33	4.18	83.22
Disposals / write off	-	-	179.70	71.52	15.00	-	28.50	0.52	295.24
<b>As at 31st March, 2021</b>	<b>16,990.92</b>	<b>-</b>	<b>7,733.49</b>	<b>12,603.66</b>	<b>1,460.03</b>	<b>350.76</b>	<b>157.45</b>	<b>287.24</b>	<b>39,583.55</b>
<b>Accumulated depreciation/ amortisation</b>									
<b>As at 1st April, 2019</b>	-	2.69	4,945.44	10,765.00	1,311.18	321.88	81.03	221.76	17,648.98
Charge for the year	-	-	103.40	244.74	15.73	2.88	15.87	14.12	396.74
Disposals	-	-	-	15.36	1.68	-	9.71	1.54	28.29
Re-classified to Right of use assets (Refer Note - 6)	-	2.69	-	-	-	-	-	-	2.69
<b>As at 31st March, 2020</b>	<b>-</b>	<b>-</b>	<b>5,048.84</b>	<b>10,994.38</b>	<b>1,325.23</b>	<b>324.76</b>	<b>87.19</b>	<b>234.34</b>	<b>18,014.74</b>
Charge for the year	-	-	103.50	257.09	16.02	2.70	14.33	16.11	409.75
Disposals / write off	-	-	177.28	56.20	14.25	-	14.95	0.50	263.18
<b>As at 31st March, 2021</b>	<b>-</b>	<b>-</b>	<b>4,975.06</b>	<b>11,195.27</b>	<b>1,327.00</b>	<b>327.46</b>	<b>86.57</b>	<b>249.95</b>	<b>18,161.31</b>
<b>Net Block</b>									
As at 31st March, 2020	16,990.92	-	2,864.35	1,619.91	148.98	26.00	81.43	49.24	21,780.83
<b>As at 31st March, 2021</b>	<b>16,990.92</b>	<b>-</b>	<b>2,758.43</b>	<b>1,408.39</b>	<b>133.03</b>	<b>23.30</b>	<b>70.88</b>	<b>37.29</b>	<b>21,422.24</b>

#### Notes :

- 1) Refer Note - 23 & 29 for information on property, plant and equipment pledged as security by the Company.
- 2) Refer Note - 46.2 for disclosure on contractual commitment for acquisition of property, plant and equipment.
- 3) Based on the valuation report by a Chartered Engineer, an external valuer, freehold land having original cost of ₹ 3.11 was revalued in the years ended 31st March, 1997, 31st March, 2003, 31st March, 2008, 31st March, 2016 and 31st March 2019 and the resultant increase was ₹ 1,548.11, ₹ 1,630.64, ₹ 3,075.24, ₹ 3,390.16 and ₹ 7,343.66 respectively with last revalued amount at ₹ 16,990.92.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

### 6. RIGHT OF USE ASSETS

Particulars	Land
<b>Cost</b>	
<b>As at 1st April, 2019</b>	15.60
Additions	152.56
Disposals	-
<b>As at 31st March, 2020</b>	<b>168.16</b>
Additions	-
Disposals	-
<b>As at 31st March, 2021</b>	<b>168.16</b>
<b>Accumulated depreciation</b>	
<b>As at 1st April, 2019</b>	2.69
Charge for the year	18.73
Disposals	-
<b>As at 31st March, 2020</b>	<b>21.42</b>
Charge for the year	30.67
Disposals	-
<b>As at 31st March, 2021</b>	<b>52.09</b>
<b>Net Block</b>	
As at 31st March, 2020	146.74
<b>As at 31st March, 2021</b>	<b>116.07</b>

Refer Note - 53 for detailed disclosure as per Ind AS 116.

### 7. INVESTMENT PROPERTY

Particulars	Leasehold land	Building	Total
<b>Cost</b>			
<b>As at 1st April, 2019</b>	5.76	17.83	23.59
Additions	-	-	-
<b>As at 31st March, 2020</b>	<b>5.76</b>	<b>17.83</b>	<b>23.59</b>
Additions	-	-	-
<b>As at 31st March, 2021</b>	<b>5.76</b>	<b>17.83</b>	<b>23.59</b>
<b>Accumulated amortisation/depreciation</b>			
<b>As at 1st April, 2019</b>	0.27	1.07	1.34
Charge for the year	0.09	0.36	0.45
<b>As at 31st March, 2020</b>	<b>0.36</b>	<b>1.43</b>	<b>1.79</b>
Charge for the year	0.09	0.35	0.44
<b>As at 31st March, 2021</b>	<b>0.45</b>	<b>1.78</b>	<b>2.23</b>
<b>Net Block</b>			
As at 31st March, 2020	5.40	16.40	21.80
<b>As at 31st March, 2021</b>	<b>5.31</b>	<b>16.05</b>	<b>21.36</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

### Notes:

#### (i) Contractual obligations

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

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

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Rental income	1.82	5.32
Less: Direct operating expenses that generate rental income	0.86	0.76
Less: Direct operating expenses that did not generate rental income	-	-
<b>Profit from leasing of investment properties before depreciation</b>	<b>0.96</b>	<b>4.56</b>
Less: Amortisation/depreciation	0.44	0.45
<b>Profit from leasing of investment properties</b>	<b>0.52</b>	<b>4.11</b>

#### (iii) Fair value of investment properties

Particulars	As at 31st March 2021	As at 31st March 2020
Land	360.76	356.85
Building	104.77	103.77
	<b>465.53</b>	<b>460.62</b>

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

#### (iv) Estimation of fair value

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

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

### 8. OTHER INTANGIBLE ASSETS

Particulars	Computer Software
<b>Cost</b>	
<b>As at 1st April, 2019</b>	116.43
Additions	3.50
Disposals	-
<b>As at 31st March, 2020</b>	<b>119.93</b>
Additions	-
Disposals / write off	3.13
<b>As at 31st March, 2021</b>	<b>116.80</b>
<b>Accumulated amortisation</b>	
<b>As at 1st April, 2019</b>	83.32
Charge for the year	14.66
Disposals	-
<b>As at 31st March, 2020</b>	<b>97.98</b>
Charge for the year	9.50
Disposals / write off	3.07
<b>As at 31st March, 2021</b>	<b>104.41</b>
<b>Net Block</b>	
As at 31st March, 2020	21.95
<b>As at 31st March, 2021</b>	<b>12.39</b>

Refer Note - 46.2 for disclosure on contractual commitment for acquisition of other intangible assets.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

### 9. INVESTMENTS (NON-CURRENT)

Particulars	Face Value per share/unit (₹)	As at 31st March 2021		As at 31st March 2020	
		Shares/Units	Amount	Shares/Units	Amount
<i>(fully paid up unless otherwise stated)</i>					
<b>A. INVESTMENTS AT AMORTISED COST</b>					
<b>Investments in Government Securities (Quoted)</b>					
5.22% Government of India Bonds 2025	100	10,00,000	1,010.81	-	-
8.20% Government of India Bonds 2025	100	5,00,000	531.87	5,00,000	537.83
7.59% Government of India Bonds 2026	100	10,00,000	1,095.62	-	-
7.27% Government of India Bonds 2026	100	5,00,000	513.92	5,00,000	515.88
8.24% Government of India Bonds 2027	100	5,00,000	533.60	5,00,000	537.91
7.17% Government of India Bonds 2028	100	5,00,000	512.80	5,00,000	514.12
7.59% Government of India Bonds 2029	100	5,00,000	518.43	5,00,000	520.13
6.45% Government of India Bonds 2029	100	10,00,000	1,037.02	-	-
<b>Subtotal</b>			<b>5,754.07</b>		<b>2,625.87</b>
<b>Investments in Debentures or Bonds (Quoted)</b>					
Housing and Urban Development Corporation Limited					
7.83% Tax Free Bonds, Series B (Option II), 11-NOV-2026	1,00,000	200	200.00	200	200.00
8.51% Tax Free Bonds, Tranche-I, Series 2A, 25-OCT-2028	1,000	20,000	200.00	20,000	200.00
India 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 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 Highway Authority of India					
8.30% Tax Free Bonds, Tranche 1, Series 2 (II), 25-JAN-2027	1,000	4,945	49.45	4,945	49.45
8.50% Tax Free Bonds Tranche I Series IIA, 05-FEB-2029	1,000	40,000	400.00	40,000	400.00
7.28% Tax Free Bonds Series - II B, 18-SEP-2030	10,00,000	20	200.09	20	200.10
National Housing Bank					
8.76% Tax Free Bonds, Tranche I, Series 3A, 13-JAN-2034	5,000	6,166	313.79	6,166	313.98
8.65% Tax Free Bonds, Tranche II Series 3A, 24-MAR-2034	5,000	6,384	319.20	6,384	319.20
NTPC Limited					
8.41% Tax Free Bonds, Series 1A, 16-DEC-2023	1,000	1,50,000	1,595.37	1,50,000	1,623.36
7.15% Tax Free Bonds, Series 55, 21-AUG-2025	10,00,000	50	522.85	50	526.60
8.66% Tax Free Bonds, Series 3A, 16-DEC-2033	1,000	31,665	316.65	31,665	316.65
7.37% Tax Free Bonds, Series 3A, 05-OCT-2035	1,000	4,997	49.97	4,997	49.97
Power Finance Corporation Limited					
8.16% Tax Free Bonds, Series 80B, 25-NOV-2026	1,00,000	400	400.00	400	400.00
7.35% Tax Free Bonds, Series 3A, 17-OCT-2035	1,000	2,567	25.67	2,567	25.67
Rural Electrification Corporation Limited					
8.46% Tax Free Bonds, Tranche I, Series 2A, 24-SEP-2028	1,000	50,000	500.00	50,000	500.00
<b>Subtotal</b>			<b>6,293.04</b>		<b>6,324.98</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	Face Value per share/unit (₹)	As at 31st March 2021		As at 31st March 2020	
		Shares/Units	Amount	Shares/Units	Amount
<b>Investments in Preference Share (Quoted)</b>					
Infrastructure Leasing & Financial Services Limited					
16.46% Non-Convertible Redeemable Cumulative Preference Shares	7,500	1,360	204.00	1,360	204.00
Less: Impairment in value of investments			(204.00)		(204.00)
<b>Subtotal</b>			-		-
<b>Subtotal (A)</b>			<b>12,047.11</b>		<b>8,950.85</b>
<b>B. INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME</b>					
<b>Investments in Equity Instruments (Quoted)</b>					
HCL Technologies Limited	2	-	-	30,000	130.92
<b>Subtotal</b>			-		<b>130.92</b>
<b>Investments in Equity Instruments (Unquoted)</b>					
Cheviot International Limited	10	20	- ^	20	- ^
Woodlands Multispeciality Hospital Limited	10	3,190	0.32	3,190	0.32
<b>Subtotal</b>			<b>0.32</b>		<b>0.32</b>
<b>Subtotal (B)</b>			<b>0.32</b>		<b>131.24</b>
<b>C. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>					
<b>Investments in Mutual Funds (Quoted)</b>					
Aditya Birla Sun Life Mutual Fund					
Aditya Birla Sun Life Fixed Term Plan - Series - PG (1148 days)-Direct-Growth	10	-	- *	50,00,000.000	592.35
HDFC Mutual Fund					
HDFC FMP 3360D March 2014 (1) Series 30 - Regular - Growth	10	84,00,000.000	1,407.17	84,00,000.000	1,306.84
ICICI Prudential Mutual Fund					
ICICI Prudential FMP Series 82 - 1136 Days - Plan P - Cumulative	10	-	- *	50,00,000.000	583.57
IDFC Mutual Fund					
IDFC Fixed Term Plan Series 152 - Direct - Growth	10	50,00,000.000	631.82	50,00,000.000	579.13
Kotak Mahindra Mutual Fund					
Kotak FMP Series 221 - Direct - Growth	10	-	- *	50,00,000.000	588.90
Kotak FMP Series 232 - Direct - Growth	10	-	- *	50,00,000.000	580.98
Nippon India Mutual Fund					
Nippon India Fixed Horizon Fund - XXXVI - Series 6 - Direct - Growth	10	-	- *	50,00,000.000	593.06
PGIM India Mutual Fund					
PGIM India Fixed Duration Fund - Series AZ - Direct - Growth	1,000	-	- *	50,000.000	502.31
UTI Mutual Fund					
UTI Fixed Term Income Fund Series XXIX - IX (1109 Days) - Direct Growth Plan	10	-	- *	50,00,000.000	468.73
UTI Fixed Term Income Fund Series XXX - VIII (1286 Days) - Direct Growth Plan	10	50,00,000.000	637.13	50,00,000.000	585.83
<b>Subtotal</b>			<b>2,676.12</b>		<b>6,381.70</b>

^ Amount below ₹ 500/-

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	Face Value per share/unit (₹)	As at 31st March 2021		As at 31st March 2020	
		Shares/Units	Amount	Shares/Units	Amount
<b>Investments in Mutual Funds (Unquoted)</b>					
Aditya Birla Sun Life Mutual Fund					
Aditya Birla Sun Life Pure Value Fund - Direct Plan - Growth	10	18,04,244.614	1,155.75	-	-
Franklin Templeton Mutual Fund					
Franklin India Prima Fund- Direct- Growth	100	-	-	36,772.744	273.65
Franklin India Focused Equity Fund- Direct- Growth	10	14,13,686.269	805.92	4,89,090.829	154.25
HDFC Mutual Fund					
HDFC Equity Fund - Direct Plan - Growth	10	-	-	1,41,100.894	682.62
HDFC Mid-Cap Opportunities Fund - Direct Plan -Growth	10	-	-	3,86,830.497	160.35
HDFC Index Fund Sensex Plan - Direct - Growth	10	-	-	2,64,698.386	702.98
Mirae Asset Mutual Fund					
Mirae Asset Large Cap Fund - Direct - Growth (Formerly Mirae Asset India Equity Fund)	10	10,90,631.476	770.97	3,66,524.113	151.93
SBI Mutual Fund					
SBI Flexicap Fund - Direct Plan - Growth (Formerly SBI Magnum Multicap Fund)	10	9,24,551.939	624.32	10,98,144.126	433.22
<b>Subtotal</b>			<b>3,356.96</b>		<b>2,559.00</b>
<b>Investments in Alternative Investment Funds (Unquoted)</b>					
IIFL Asset Management #					
IIFL Special Opportunities Fund (previous year face value ₹ 9.1727 /unit)	7.6075	18,60,518.129	216.61	18,60,518.129	167.65
IIFL Special Opportunities Fund Series 5 (previous year face value ₹ 10 /unit)	8.5228	20,59,061.861	224.58	20,59,061.861	168.45
IIFL Special Opportunities Fund Series 7	10	9,72,433.108	133.27	9,72,433.108	88.24
IIFL India Housing Fund (previous year face value ₹ 9.9152 /unit)	9.6875	56,85,428.230	669.93	57,04,621.694	628.02
IIFL Re-organize India Equity Fund	10	-	-	22,08,288.552	122.74
White Oak India Alternate Investment Fund					
White Oak India Equity Fund	10	-	- *	48,22,958.103	459.88
<b>Subtotal</b>			<b>1,244.39</b>		<b>1,634.98</b>
<b>Subtotal (C)</b>			<b>7,277.47</b>		<b>10,575.68</b>
<b>TOTAL (A+B+C)</b>			<b>19,324.90</b>		<b>19,657.77</b>
Aggregate amount of Quoted Investments			14,723.23		15,463.47
Aggregate Market Value of Quoted Investments			16,099.81		16,398.86
Aggregate amount of Unquoted Investments			4,601.67		4,194.30
Aggregate amount of impairment in value of Investments			204.00		204.00

\* Current year figures have been shown under Current Investments (Refer note 15) as these are maturing within 12 months from the reporting date.

# Refer Note - 46.2 for disclosure on contractual commitment for acquisition of Investments.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

### 10. LOANS

Particulars	As at 31st March 2021	As at 31st March 2020
Loans receivables considered good - Unsecured		
- Security deposits*	22.53	22.53
	<b>22.53</b>	<b>22.53</b>

\* Represents interest-bearing security deposits.

### 11. OTHER FINANCIAL ASSETS (NON-CURRENT)

Particulars	As at 31st March 2021	As at 31st March 2020
Fixed deposit accounts with bank (maturity over 12 months)*	1,350.00	1,798.85
Interest accrued on fixed deposits	-	1.14
Security deposits	11.47	11.47
Advances given to employees	16.86	34.53
	<b>1,378.33</b>	<b>1,845.99</b>

\* Under lien ₹ Nil ( 31st March, 2020 ₹ 50.00 ) towards security against borrowing.

### 12. NON-CURRENT TAX ASSETS (NET)

Particulars	As at 31st March 2021	As at 31st March 2020
Advance income tax and refund due (net of provision)	114.90	116.28
	<b>114.90</b>	<b>116.28</b>

### 13. OTHER NON-CURRENT ASSETS

Particulars	As at 31st March 2021	As at 31st March 2020
Capital advances	149.46	67.48
Others		
- Prepaid expense	14.71	11.95
- Indirect tax refundable	159.12	159.91
- Indirect taxes paid against demand	-	16.02
	<b>323.29</b>	<b>255.36</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

### 14. INVENTORIES

Particulars	As at 31st March 2021	As at 31st March 2020
(Valued at lower of cost and net realisable value)		
Raw materials	4,015.03	4,784.93
Work-in-progress	1,474.14	1,260.61
Finished goods	2,297.95	1,730.46
Stores and spares	427.54	382.35
Loose tools	0.68	1.68
	<b>8,215.34</b>	<b>8,160.03</b>
The above includes goods in transit as under:		
Finished goods	645.19	79.44
	<b>645.19</b>	<b>79.44</b>

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

2) Refer Note - 23 & 29 for information on hypothecation of inventory.

### 15. INVESTMENTS (CURRENT)

Particulars	Face Value per share / unit (₹)	As at 31st March 2021		As at 31st March 2020	
		Shares/Units	Amount	Shares/Units	Amount
<i>(fully paid up unless otherwise stated)</i>					
<b>A. INVESTMENTS AT AMORTISED COST</b>					
<b>Investments in Debentures or Bonds (Quoted)</b>					
Indian Railway Finance Corporation Limited					
6.72% Tax Free Bonds, Series 73B, 20-DEC-2020	1,00,000	-	-	200	200.00
<b>Subtotal (A)</b>			<b>-</b>		<b>200.00</b>
<b>B. INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS</b>					
<b>Investments in Mutual Funds (Quoted)</b>					
Aditya Birla Sun Life Mutual Fund					
Aditya Birla Sun Life Fixed Term Plan - Series - PG (1148 days)-Direct-Growth	10	50,00,000.000	630.34 *	-	-
HDFC Mutual Fund					
HDFC FMP 1309D September 2016 (1) Series 37 - Regular - Growth	10	-	-	50,00,000.000	663.20
ICICI Prudential Mutual Fund					
ICICI Prudential FMP Series 82 - 1136 Days - Plan P - Cumulative	10	50,00,000.000	632.48 *	-	-
IDFC Mutual Fund					
IDFC Fixed Term Plan Series 131 - Direct - Growth	10	-	-	70,00,000.000	866.45
Kotak Mahindra Mutual Fund					
Kotak FMP Series 202 - Direct - Growth	10	-	-	50,00,000.000	618.75
Kotak FMP Series 221 - Direct - Growth	10	50,00,000.000	624.55 *	-	-
Kotak FMP Series 232 - Direct - Growth	10	50,00,000.000	629.51 *	-	-
Carried Over...			2,516.88		2,148.40

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	Face Value per share / unit (₹)	As at 31st March 2021		As at 31st March 2020	
		Shares/Units	Amount	Shares/Units	Amount
Brought Forward...			2,516.88		2,148.40
L&T Mutual Fund					
L&T FMP Series XIV Scheme A (1233D) - Growth	10	-	-	30,00,000.000	360.95
Nippon India Mutual Fund					
Nippon India Fixed Horizon Fund - XXXIII - Series 3 - Direct - Growth	10	-	-	40,00,000.000	500.70
Nippon India Fixed Horizon Fund - XXXIV - Series 2 - Direct - Growth	10	-	-	16,50,000.000	203.39
Nippon India Fixed Horizon Fund - XXXVI - Series 6 - Direct - Growth	10	50,00,000.000	630.97 *	-	-
PGIM India Mutual Fund					
PGIM India Fixed Duration Fund - Series AZ - Direct - Growth	1,000	50,000.000	535.14 *	-	-
UTI Mutual Fund					
UTI Fixed Term Income Fund Series XXIX - IX (1109 Days) - Direct Growth Plan	10	50,00,000.000	537.09 *	-	-
<b>Subtotal</b>			<b>4,220.08</b>		<b>3,213.44</b>
<b>Investments in Mutual Funds (Unquoted)</b>					
Aditya Birla Sun Life Mutual Fund					
Aditya Birla Sun Life Liquid Fund - Direct - Growth	100	90,513.212	300.08	90,513.212	289.24
Aditya Birla Sun Life Arbitrage Fund - Direct - Growth	10	55,56,877.897	1,210.36	33,33,027.038	697.49
Axis Mutual Fund					
Axis Arbitrage Fund - Direct - Growth	10	-	-	47,30,309.626	702.83
ICICI Prudential Mutual Fund					
ICICI Prudential Liquid - Direct - Growth	100	97,899.931	298.34	97,899.931	287.61
ICICI Prudential Equity Arbitrage Fund - Direct - Growth	10	21,50,720.489	603.33	-	-
Kotak Mahindra Mutual Fund					
Kotak Overnight Fund - Direct Plan - Growth	1,000	-	-	48,158.389	513.30
Kotak Equity Arbitrage Fund - Direct Plan - Growth	10	63,72,627.906	1,929.70	-	-
Nippon India Mutual Fund					
Nippon India Arbitrage Fund - Direct Growth Plan	10	91,65,908.456	2,000.64	-	-
SBI Mutual Fund					
SBI Liquid Fund - Direct Plan - Growth	1,000	46,777.732	1,507.00	-	-
<b>Subtotal</b>			<b>7,849.45</b>		<b>2,490.47</b>
<b>Investments in Alternative Investment Funds (Unquoted)</b>					
White Oak India Alternate Investment Fund					
White Oak India Equity Fund	10	48,22,958.103	844.11 *	-	-
<b>Subtotal</b>			<b>844.11</b>		<b>-</b>
<b>Subtotal (B)</b>			<b>12,913.64</b>		<b>5,703.91</b>
<b>TOTAL (A+B)</b>			<b>12,913.64</b>		<b>5,903.91</b>
<b>Aggregate amount of Quoted Investments</b>			<b>4,220.08</b>		<b>3,413.44</b>
<b>Aggregate Market Value of Quoted Investments</b>			<b>4,220.08</b>		<b>3,415.92</b>
<b>Aggregate amount of Unquoted Investments</b>			<b>8,693.56</b>		<b>2,490.47</b>

\* Represents transfer from non-current investments (Refer note 9) as these are maturing within 12 months from the reporting date.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

### 16. TRADE RECEIVABLES

Particulars	As at 31st March 2021	As at 31st March 2020
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	4,207.40	3,420.00
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Less: Allowance for doubtful receivables	-	-
	<b>4,207.40</b>	<b>3,420.00</b>

- 1) There are no amount receivable from directors and officers of the Company either severally or jointly with any other person. Further, no amount is receivable from firms or private companies respectively in which any director is a partner or a director or a member.
- 2) Refer Note - 23 & 29 for information on hypothecation of trade receivables.
- 3) Refer Note - 57.3(a)(i) for disclosure on credit risk.

### 17. CASH AND CASH EQUIVALENTS

Particulars	As at 31st March 2021	As at 31st March 2020
Balances with banks		
- in current accounts	394.41	1,133.06
Cheques on hand	5.97	0.64
Cash on hand	4.58	5.85
	<b>404.96</b>	<b>1,139.55</b>

### 18. OTHER BANK BALANCES OTHER THAN NOTE - 17

Particulars	As at 31st March 2021	As at 31st March 2020
Fixed deposits having maturity less than 12 months *	848.85	867.70
Unpaid dividend accounts	78.77	118.65
Fractional bonus share account	0.82	0.82
	<b>928.44</b>	<b>987.17</b>

\* Under lien ₹ Nil (31st March, 2020 ₹ 150.00) towards margin money.

Fixed deposit accounts with maturity of more than 12 months amounting to ₹ 1,350.00 (31st March, 2020 ₹ 1,798.85) being non-current has been shown under the head other financial assets (non-current) (Refer Note 11).

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

### 19. OTHER FINANCIAL ASSETS (CURRENT)

Particulars	As at	As at
	31st March 2021	31st March 2020
Interest accrued on investments, fixed and security deposits	242.33	190.88
Advances given to employees	8.11	13.49
Other receivables *	99.93	28.51
	<b>350.37</b>	<b>232.88</b>

\* Includes primarily amount receivable against insurance claim, investment income, insurance premium refundable.

### 20. OTHER CURRENT ASSETS

Particulars	As at	As at
	31st March 2021	31st March 2020
Advance against supply of goods and services	26.90	43.61
Others		
-Excess of plan assets over defined benefit obligation (Refer Note - 49.2)	361.07	198.27
-Export incentives receivable	208.00	722.01
-Balances with Government authorities	104.24	133.79
-Prepaid expense	210.85	194.77
-Indirect tax refundable	32.69	31.76
-Other advances	6.99	2.08
	<b>950.74</b>	<b>1,326.29</b>

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

### 21. EQUITY SHARE CAPITAL

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised share capital</b>				
Ordinary shares of ₹ 10/- each	70,00,000	700.00	70,00,000	700.00
<b>Issued and subscribed share capital</b>				
Ordinary shares of ₹ 10/- each fully paid up	62,66,875	626.69	64,66,875	646.69
Ordinary shares of ₹ 10/- each not fully paid up and forfeited (amount originally paid up)		0.35		0.35
	<b>62,66,875</b>	<b>627.04</b>	<b>64,66,875</b>	<b>647.04</b>



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

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

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	64,66,875	646.69	64,66,875	646.69
Less : Buyback of shares (Refer Note (e) below )	2,00,000	20.00	-	-
At the end of the year	<b>62,66,875</b>	<b>626.69</b>	<b>64,66,875</b>	<b>646.69</b>

### b) Terms/ rights attached to ordinary shares :

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

### c) Shareholding pattern with respect of Holding Company

Name of shareholders	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	% Holding	No. of Shares	% Holding
Ordinary shares of ₹ 10/- each, fully paid up				
Harsh Investments Private Limited	35,96,661	57.39%	37,02,445	57.25%

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

Name of Shareholders	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	% Holding	No. of Shares	% Holding
Ordinary shares of ₹ 10/- each, fully paid up				
Harsh Investments Private Limited (Holding Company)	35,96,661	57.39%	37,02,445	57.25%
Mr. Harsh Vardhan Kanoria	4,61,623	7.37%	4,80,853	7.44%
Mrs. Malati Kanoria	3,82,830	6.11%	3,98,776	6.17%

As per records of the Company, including its register of shareholders / members as on 31st March, 2021, the above shareholding represents legal ownership of shares.

e) During the year ended 31st March, 2021, the Company has bought back 2,00,000 ordinary shares of face value of ₹ 10/- each at a buyback price of ₹ 900/- per ordinary share for an aggregate consideration of ₹ 1,800.00 as approved by the Board of Directors at their meeting held on September 08, 2020. Formalities pertaining to extinguishment of the shares bought back were completed on 19th November, 2020. In accordance with the provisions of the Companies Act, 2013, an amount of ₹ 20.00 (representing the nominal value of the shares bought back) have been transferred from General Reserve to Capital Redemption Reserve and the differential amount of ₹ 1,780.00 with respect to aggregate consideration in excess of face value of the ordinary shares bought back and ₹ 414.67 towards tax on buyback of ordinary shares have been funded from General Reserve. Consequent to such buyback, share capital has been reduced by ₹ 20.00.

Further, the Company had also bought back 2,00,000 ordinary shares of face value of ₹ 10/- each during the financial year 2017-18.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

- f) The Company had issued and allotted 21,55,625 bonus ordinary shares of face value of ₹ 10/- each during the financial year 2018-19.
- g) No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.
- h) No securities convertible into equity/ preference shares have been issued by the Company during the year.
- i) No calls are unpaid by any director or officer of the Company during the year.

### 22. OTHER EQUITY

Particulars	Note Reference	As at 31st March 2021	As at 31st March 2020
Capital reserve	22.1	0.24	0.24
General reserve	22.2	38,064.29	40,131.14
Capital redemption reserve	22.3	49.92	29.92
Special economic zone re-investment reserve account	22.4	-	147.82
Retained earnings	22.5	14,155.68	6,214.56
Other comprehensive income reserve	22.6	15,320.01	15,145.88
		<b>67,590.14</b>	<b>61,669.56</b>

#### 22.1 Capital reserve

Particulars	As at 31st March 2021	As at 31st March 2020
Balance at the beginning of the year	0.24	0.24
Add: Changes during the year	-	-
Balance at the end of the year	<b>0.24</b>	<b>0.24</b>

#### 22.2 General reserve

Particulars	As at 31st March 2021	As at 31st March 2020
Balance at the beginning of the year	40,131.14	39,978.31
Add: Transfer from special economic zone re-investment reserve account	147.82	152.83
Less: Utilised on buyback of ordinary shares	1,780.00	-
Less: Payment of tax on buyback of ordinary shares	414.67	-
Less: Transfer to capital redemption reserve pursuant to buyback of ordinary shares	20.00	-
Balance at the end of the year	<b>38,064.29</b>	<b>40,131.14</b>

#### 22.3 Capital redemption reserve

Particulars	As at 31st March 2021	As at 31st March 2020
Balance at the beginning of the year	29.92	29.92
Add: Transfer from general reserve pursuant to buyback of ordinary shares	20.00	-
Balance at the end of the year	<b>49.92</b>	<b>29.92</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

### 22.4 Special economic zone re-investment reserve account

Particulars	As at 31st March 2021	As at 31st March 2020
Balance at the beginning of the year	147.82	300.65
Less : Transfer to general reserve upon utilization	-	152.18
Less: Unutilised amount transferred to general reserve on expiry of a period of three years	147.82	0.65
Balance at the end of the year	-	<b>147.82</b>

### 22.5 Retained earnings

Particulars	As at 31st March 2021	As at 31st March 2020
Balance at the beginning of the year	6,214.56	5,097.75
Add: Profit for the year	7,572.31	4,812.12
Add: Transfer from other comprehensive income - Remeasurements of the defined benefit plans (net of tax)	299.34	92.96
Add : Transfer from other comprehensive income on reclassification of equity instruments	69.47	31.85
Less: Appropriations		
Final dividend for F.Y. 2018-19, ₹ 1/- per ordinary share	-	64.67
Special interim dividend for F.Y.2019-20, ₹ 48/- per ordinary share	-	3,104.10
Dividend distribution tax	-	651.35
Balance at the end of the year	<b>14,155.68</b>	<b>6,214.56</b>

### 22.6 Other comprehensive income reserve

Particulars	As at 31st March 2021	As at 31st March 2020
<b>a) Equity instruments through other comprehensive income</b>		
Balance at the beginning of the year	(53.71)	-
Add: Change in fair value	138.78	(24.66)
Less: Tax on above	15.60	(2.80)
Less: Transfer to retained earnings on reclassification	69.47	31.85
Balance at the end of the year	-	<b>(53.71)</b>
<b>b) Revaluation surplus</b>		
Balance at the beginning of the year (net of deferred tax)	15,199.59	15,132.01
Add : Change during the year	-	-
Less: Impact of deferred tax	(120.42)	(67.58)
Balance at the end of the year	<b>15,320.01</b>	<b>15,199.59</b>
<b>c) Remeasurements of the defined benefit plans</b>		
Balance at the beginning of the year	-	-
Add: Remeasurement gain	400.02	124.22
Less: Current tax on above	100.68	31.26
Less: Transferred to retained earnings	299.34	92.96
Balance at the end of the year	-	-
<b>Total of other comprehensive income reserve (a + b + c)</b>	<b>15,320.01</b>	<b>15,145.88</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

### Nature and purpose of other reserves

#### Capital reserve

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

#### General reserve

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

#### Capital redemption reserve

Capital redemption reserve represents the reserve created during the year ended 30th November, 1981 as a result of redemption of cumulative preference share capital of the Company. Further, the Company has recognised capital redemption reserve on buyback of ordinary shares from the General reserve during financial year ended 31st March, 2018 and 31st March, 2021 with the nominal amount of the ordinary shares bought back as per the applicable provisions of the Companies Act, 2013. This reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

#### Special economic zone re-investment reserve account

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

#### Retained earnings

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

#### Other comprehensive income reserve

#### Equity instruments through other comprehensive income

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

#### Revaluation surplus

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

#### Remeasurements of the defined benefit plans

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

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

### 23. BORROWINGS (NON-CURRENT)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Term loan (secured)</b>		
From Export Import Bank of India	37.04	48.15
From State Bank of India	-	7.50
	<b>37.04</b>	<b>55.65</b>
Less: Current portion (disclosed under other financial liabilities - Refer Note - 32)	14.81	18.61
	<b>22.23</b>	<b>37.04</b>

- a) Loan from Export Import Bank of India is secured by hypothecation of all movable fixed assets on first charge basis and all current assets on second charge basis and by mortgage of specific immovable properties both present and future by deposit of title deeds on first charge basis.
- b) Outstanding amount including current maturities of term loan taken from Export Import Bank of India is repayable in 10 equal quarterly instalments of ₹ 3.70 each by July, 2023. In accordance with RBI Notification on 'COVID-19 – Regulatory Package', the Company availed moratorium on instalments falling due between April 3, 2020 and May 31, 2020 on the said term loan from Export Import Bank of India. The rate of interest is LTMLR plus 1% p.a, effective rate 9.60% p.a. (31st March, 2020 : 10.10% p.a.).
- c) Loan from State Bank of India which was secured against lien on fixed deposit has been fully repaid during the year.
- d) No loans have been guaranteed by the directors of the Company.
- e) There is no default as on the balance sheet date in the repayment of borrowings and interest thereon.

### 24. LEASE LIABILITIES (NON-CURRENT)

Particulars	As at 31st March 2021	As at 31st March 2020
Lease liabilities (Refer Note - 53)	81.47	110.72
	<b>81.47</b>	<b>110.72</b>

### 25. OTHER FINANCIAL LIABILITIES (NON-CURRENT)

Particulars	As at 31st March 2021	As at 31st March 2020
Capital creditors *	121.05	103.30
Security deposits from contractors	32.25	32.25
	<b>153.30</b>	<b>135.55</b>

\* Represents balance in respect of retention money.

### 26. PROVISIONS (NON-CURRENT)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for leave	31.15	61.27
	<b>31.15</b>	<b>61.27</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

### 27. DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Deferred tax liabilities</b>		
Arising on account of :		
Depreciable assets	415.72	419.13
Fair value gain on financial instruments	352.72	134.85
On revaluation of freehold land	1,667.80	1,788.22
Reserve created u/s 10AA of the Income Tax Act, 1961	-	37.20
	<b>2,436.24</b>	<b>2,379.40</b>
<b>Deferred tax assets</b>		
Arising on account of :		
Disallowances under the Income Tax Act, 1961	52.90	69.91
Mark to market loss on forward contract	-	9.13
Deferred revenue grant	16.68	22.30
Lease liabilities	27.86	34.59
Carried forward losses under Income Tax Act, 1961	-	-
	<b>97.44</b>	<b>135.93</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>2,338.80</b>	<b>2,243.47</b>

#### 27.1 Movement in deferred tax assets and liabilities during the year ended 31st March, 2020 and 31st March, 2021

Particulars	As at 1st April 2019	Recognised in statement of profit and loss	Recognised in other comprehensive income *	As at 31st March 2020
<b>Deferred tax liabilities</b>				
Arising on account of :				
Depreciable assets	531.13	(112.00)	-	419.13
Fair value gain on financial instruments	211.08	(91.48)	15.25	134.85
On revaluation of freehold land	1,855.80	-	(67.58)	1,788.22
Reserve created u/s 10AA of the Income Tax Act, 1961	0.22	36.98	-	37.20
	<b>2,598.23</b>	<b>(166.50)</b>	<b>(52.33)</b>	<b>2,379.40</b>
<b>Deferred tax assets</b>				
Arising on account of :				
Disallowances under the Income Tax Act, 1961	127.61	(57.70)	-	69.91
Mark to market loss on forward contract	-	9.13	-	9.13
Deferred revenue grant	47.42	(25.12)	-	22.30
Lease liabilities	-	34.59	-	34.59
Carried forward losses under Income Tax Act, 1961	26.71	(26.71)	-	-
	<b>201.74</b>	<b>(65.81)</b>	<b>-</b>	<b>135.93</b>
	<b>2,396.49</b>	<b>(100.69)</b>	<b>(52.33)</b>	<b>2,243.47</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	As at 1st April 2020	Recognised in statement of profit and loss	Recognised in other comprehensive income *	As at 31st March 2021
<b>Deferred tax liabilities</b>				
Arising on account of:				
Depreciable assets	419.13	(3.41)	-	415.72
Fair value gain on financial instruments	134.85	233.12	(15.25)	352.72
On revaluation of freehold land	1,788.22	-	(120.42)	1,667.80
Reserve created u/s 10AA of the Income Tax Act, 1961	37.20	(37.20)	-	-
	<b>2,379.40</b>	<b>192.51</b>	<b>(135.67)</b>	<b>2,436.24</b>
<b>Deferred tax assets</b>				
Arising on account of:				
Disallowances under the Income Tax Act, 1961	69.91	(17.01)	-	52.90
Mark to market loss on forward contract	9.13	(9.13)	-	-
Deferred revenue grant	22.30	(5.62)	-	16.68
Lease liabilities	34.59	(6.73)	-	27.86
Carried forward losses under Income Tax Act, 1961	-	-	-	-
	<b>135.93</b>	<b>(38.49)</b>	<b>-</b>	<b>97.44</b>
	<b>2,243.47</b>	<b>231.00</b>	<b>(135.67)</b>	<b>2,338.80</b>

\* Excludes ₹ 131.53 (F.Y. 2019-20 ₹ 13.21) being income tax on remeasurements of the defined benefit plans and equity instruments through other comprehensive income considered as current tax.

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

### 28. OTHER NON-CURRENT LIABILITIES

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred revenue grant	46.47	65.20
	<b>46.47</b>	<b>65.20</b>

#### (i) Movement of deferred revenue grant

Particulars	As at 31st March 2021	As at 31st March 2020
Balance at the beginning of the year (Non-current and current)	88.61	135.70
Add: Addition during the year	-	-
Less: Reversed during the year	-	27.28
Less: Released to statement of profit and loss (Refer Note - 36)	22.31	19.81
Balance at the end of the year (Non-current and current)	<b>66.30</b>	<b>88.61</b>
Non-current deferred revenue	<b>46.47</b>	<b>65.20</b>
Current portion of deferred revenue (Refer Note - 33)	<b>19.83</b>	<b>23.41</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

### 29. BORROWINGS (CURRENT)

Particulars	As at	As at
	31st March 2021	31st March 2020
Working capital loan (secured)		
From Axis Bank Limited:		
Cash credit	819.41	416.44
	<b>819.41</b>	<b>416.44</b>

#### Terms & conditions :

- Cash credit are secured by hypothecation of stocks, book debts and certain other assets on first charge basis and all movable fixed assets on second charge basis and by mortgage of specific immovable properties both present and future by deposit of title deeds, subject to prior charge created in favour of Export Import Bank of India.
- Cash credit are repayable on demand and carries interest @ one year MCLR plus 0.25% p.a., effective rate 7.65 % p.a. (31st March, 2020 : 8.85% p.a.)
- No loans have been guaranteed by the directors and others.
- There is no default as on the balance sheet date in the repayment of borrowings and interest thereon.

### 30. LEASE LIABILITIES (CURRENT)

Particulars	As at	As at
	31st March 2021	31st March 2020
Lease liabilities (Refer Note - 53)	29.25	26.76
	<b>29.25</b>	<b>26.76</b>

### 31. TRADE PAYABLES

Particulars	As at	As at
	31st March 2021	31st March 2020
Total outstanding dues of micro enterprises and small enterprises (Refer Note 47)	-	1.50
Total outstanding dues of creditors other than micro enterprises and small enterprises #	408.39	357.26
	<b>408.39</b>	<b>358.76</b>

# Includes outstanding dues of directors and other related parties of the Company of ₹ 23.15 (31st March, 2020 ₹ 24.08).



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

### 32. OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	As at 31st March 2021	As at 31st March 2020
Current maturities of long term borrowings (Refer Note - 23)	14.81	18.61
Interest accrued but not due on borrowings	-	0.06
Unpaid dividends*	78.77	118.65
Fractional bonus share proceeds unclaimed	0.82	0.82
Capital creditors	121.42	129.59
Employee related liabilities #	1,036.05	1,142.00
Mark to market loss on forward contract	-	36.30
Others @	15.90	16.23
	<b>1,267.77</b>	<b>1,462.26</b>

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

# Includes outstanding dues of directors and officers of the Company of ₹ 557.68 (31st March, 2020 ₹ 548.04).

@ Includes outstanding dues of officer of the Company of ₹ 2.70 (31st March, 2020 ₹ 2.16).

### 33. OTHER CURRENT LIABILITIES

Particulars	As at 31st March 2021	As at 31st March 2020
Contract liabilities	2.27	29.31
Deferred revenue grant	19.83	23.41
Statutory dues payable	149.25	130.46
Others	2.50	4.55
	<b>173.85</b>	<b>187.73</b>

### 34. PROVISIONS (CURRENT)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for leave	175.75	213.21
Provision for contingencies	-	-
	<b>175.75</b>	<b>213.21</b>

#### (i) Movement of provisions pursuant to Ind AS 37

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Provision for Contingencies</b>		
Balance at the beginning of the year	-	186.12
Additional provision during the year	-	-
Provision utilised during the year	-	110.73
Provision reversed during the year	-	75.39
Balance at the end of the year	-	-

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

### 35. CURRENT TAX LIABILITIES (NET)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for taxation (net of payments)	164.59	-
	<b>164.59</b>	<b>-</b>

### 36. REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Sale of products :</b>		
Finished goods (Refer Note - 51)	39,074.67	44,624.90
	<b>39,074.67</b>	<b>44,624.90</b>
<b>Other operating revenues</b>		
Export incentives	187.78	1,110.97
Income from deferred revenue grant	22.31	19.81
Scrap sale	37.47	47.48
Insurance claims	253.34	1.43
	<b>500.90</b>	<b>1,179.69</b>
	<b>39,575.57</b>	<b>45,804.59</b>

### 37. OTHER INCOME

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Interest income #</b>		
On investments	804.09	568.21
On fixed deposits with banks	180.24	149.81
On other deposits	1.12	1.33
On others	-	0.70
	<b>985.45</b>	<b>720.05</b>
<b>Dividend income</b>		
Dividend from equity instruments measured at FVTOCI	2.40	1.20
Dividend from other investments measured at FVTPL	5.35	262.21
	<b>7.75</b>	<b>263.41</b>
<b>Other non operating income</b>		
Net gain/(loss) on fair value changes of investments measured at FVTPL	2,520.18	(191.89)
Net gain/(loss) on sale of investments measured at FVTPL	1,018.42	(178.46)
Net gain/(loss) on foreign currency transactions and translations (other than considered as finance cost)	(30.33)	177.15
Profit on sale of property, plant and equipment (net)	27.15	8.71
Provision for contingencies written back	-	75.39
Provision for VAT refundable written back	-	7.48
Indirect taxes for earlier years	-	80.74
Other non operating income	26.11	9.03
	<b>3,561.53</b>	<b>(11.85)</b>
	<b>4,554.73</b>	<b>971.61</b>
# Interest income comprises interest from :-		
Financial assets measured at amortised cost	783.80	565.29
Other financial assets measured at FVTPL	21.41	4.25
Deposits with banks - carried at amortised cost	180.24	149.81
Other current assets	-	0.70
	<b>985.45</b>	<b>720.05</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

### 38. COST OF MATERIALS CONSUMED

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Raw jute	20,864.58	22,429.98
Jute yarn	2,213.45	2,391.90
Others	-	10.15
	<b>23,078.03</b>	<b>24,832.03</b>

### 39. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Opening stock</b>		
Finished goods	1,730.46	1,876.50
Work-in-progress	1,260.61	1,192.61
	<b>2,991.07</b>	<b>3,069.11</b>
<b>Closing stock</b>		
Finished goods	2,297.95	1,730.46
Work-in-progress	1,474.14	1,260.61
	<b>3,772.09</b>	<b>2,991.07</b>
	<b>(781.02)</b>	<b>78.04</b>

### 40. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Salaries, wages and bonus	5,033.11	6,720.89
Contribution to provident and other funds (Refer Note - 49) *	703.43	833.35
Staff welfare expenses	46.92	63.83
	<b>5,783.46</b>	<b>7,618.07</b>

\* Net of revenue grant received amounting to ₹ 5.41 (F.Y. 2019-20 ₹ 18.31).

### 41. FINANCE COSTS

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest expenses		
- On borrowings	18.45	16.61
- On lease liabilities	10.64	7.66
- On others	11.41	2.35
Other borrowing costs	3.45	10.08
	<b>43.95</b>	<b>36.70</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

### 42. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Depreciation and amortisation of property, plant and equipment	409.75	396.74
Depreciation of right of use assets	30.67	18.73
Depreciation and amortisation of investment property	0.44	0.45
Amortisation of intangible assets	9.50	14.66
	<b>450.36</b>	<b>430.58</b>

### 43. OTHER EXPENSES

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Consumption of stores and spare parts	1,887.59	2,280.35
Power & fuel *	1,433.19	1,882.30
Processing charges	794.97	1,239.49
Rent	9.71	28.07
Rates and taxes	55.44	29.23
Repairs to buildings	181.61	155.13
Repairs to machinery	65.64	70.54
Repairs to others	9.11	25.63
Insurance	163.84	154.60
Donation	-	0.50
Expenditure towards CSR (Refer Note - 52)	127.58	118.03
Delivery charges	1,067.07	942.55
Property, plant and equipment and other intangible assets written off	0.06	-
Bad debts written off	-	7.05
Mark to market loss on derivative financial instruments	-	36.30
Directors' sitting fees and commission	27.40	26.75
Payments to auditors (refer note below )	12.00	11.85
Miscellaneous expenses	418.53	587.71
	<b>6,253.74</b>	<b>7,596.08</b>
Payments to auditors :		
(a) for audit services	7.00	7.00
(b) for other services	4.85	4.65
(c) for reimbursement of expenses	0.15	0.20
	<b>12.00</b>	<b>11.85</b>

\* Net of revenue grant received amounting to ₹ 14.58 (F.Y. 2019-20 ₹ 16.00).

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

### 44. TAX EXPENSE

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Current tax	1,445.00	1,492.00
Deferred tax	231.00	(100.69)
	<b>1,676.00</b>	<b>1,391.31</b>
Tax for earlier years (net)	53.47	(18.73)
	<b>1,729.47</b>	<b>1,372.58</b>

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

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Income before income taxes	9,301.78	6,184.70
Indian statutory income tax rate	25.168%	25.168%
Estimated income tax expenses	<b>2,341.07</b>	<b>1,556.57</b>
<b>Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:</b>		
Income exempt from tax	(131.28)	(191.52)
Deduction under Chapter VIA of the Income Tax Act, 1961	(12.79)	(24.23)
Impact of reversal of reserve created under Section 10AA of the Income Tax Act, 1961	-	37.20
Expenses disallowed or considered separately	54.84	55.67
Income taxable at special rates	(579.31)	57.03
Impact due to change in tax rate	-	(108.28)
Others	3.47	8.87
<b>Total tax effect</b>	<b>(665.07)</b>	<b>(165.26)</b>
<b>Tax expenses recognised in statement of profit and loss</b>	<b>1,676.00</b>	<b>1,391.31</b>
<b>Effective tax rate</b>	<b>18.02%</b>	<b>22.50%</b>

### 45. EARNINGS PER EQUITY SHARE

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Profit as per statement of profit and loss attributable to ordinary shareholders (a)	7,572.31	4,812.12
Weighted average number of ordinary shares * (in number) (b)	63,93,998	64,66,875
Basic & diluted earnings per share (a/b) (nominal value - ₹ 10/- per share) (in ₹)	118.43	74.41

\* Weighted average number of ordinary shares takes into account the weighted average effect of change in number of ordinary shares due to buyback of shares during the year ended 31st March, 2021.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

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

#### 46.1 Contingent Liabilities :

a) Claims against the Company not acknowledged as debts :

Particulars	As at 31st March 2021	As at 31st March 2020
Income tax in dispute and under appeal (Against this ₹ 6.00 (31st March, 2020 ₹ 6.00) has been deposited)	154.55	92.48
Sales tax in dispute and under appeal (Against this ₹ Nil (31st March, 2020 ₹ 16.02) has been deposited)	-	166.27

#### 46.2 Capital and other commitments :

Particulars	As at 31st March 2021	As at 31st March 2020
Estimated amount of contracts remaining to be executed and not provided for (net of advances/amount invested) :		
Against property, plant and equipment	1,100.72	1,417.68
Against other intangible assets	-	-
Against investments	-	400.00

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

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

Particulars	As at 31st March 2021	As at 31st March 2020
i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	-	1.50
- Towards principal amount	-	1.50
- Towards interest on above	-	-
ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

### 48. DIVIDEND

The Board of Directors at its meeting held on 15th May, 2021 have recommended a payment of special dividend of ₹ 175/- per ordinary share on 62,66,875 ordinary shares of face value of ₹ 10/- each amounting to ₹ 10,967.03 for the financial year ended 31st March, 2021.

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

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

#### 49.1 Defined Contribution Plans:

The Company has during the year recognised an expense of ₹ 466.21 (F.Y. 2019-20 ₹ 606.83) towards defined contribution plans. Out of the total contribution, made for employees' provident fund, a sum of ₹ 76.58 (F.Y. 2019-20 ₹ 99.31) 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.

#### 49.2 Defined Benefit Plans:

##### Gratuity Plan

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

##### a) Risk Exposure

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

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

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

### b) Changes in present value of obligation

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Defined benefit obligation at the beginning of the year	2,597.84	2,473.36
Current service cost	242.18	252.93
Interest cost on defined benefit obligation	174.06	159.44
Actuarial gain and losses arising from		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	(113.95)	24.33
- Experience adjustment	(179.69)	(124.88)
Benefits paid	(248.45)	(187.34)
Present value of defined benefit obligation at the end of the year	<b>2,471.99</b>	<b>2,597.84</b>

### c) Changes in fair value of the plan assets

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Fair value of plan assets at the beginning of the year	2,796.11	2,773.93
Interest income on plan assets	179.02	185.85
Actuarial gain/(loss) through other comprehensive income	106.38	23.67
Employer contributions to the plan	-	-
Benefits paid from the plan assets	(248.45)	(187.34)
Fair value of plan assets at the end of the year	<b>2,833.06</b>	<b>2,796.11</b>

### d) Net asset recognised in the Balance Sheet

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Present value of defined benefit obligation	2,471.99	2,597.84
Fair value of plan assets	2,833.06	2,796.11
Net asset recognised in the Balance Sheet	<b>361.07</b>	<b>198.27</b>

### e) Expenses recognised in statement of profit and loss

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Current service cost	242.18	252.93
Interest cost	174.06	159.44
Interest income on plan assets	(179.02)	(185.85)
Total expenses recognised in statement of profit and loss	<b>237.22</b>	<b>226.52</b>



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

### f) Remeasurements recognised in other comprehensive income

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Remeasurement (gain)/loss in other comprehensive income due to		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	(113.95)	24.33
- Experience adjustment	(179.69)	(124.88)
Return on plan assets (excluding interest)	(106.38)	(23.67)
	<b>(400.02)</b>	<b>(124.22)</b>

### g) Composition of plan assets

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Government of India/ Government of India guaranteed securities	16.58%	14.98%
State Government/ State Government guaranteed securities	41.12%	41.47%
Bonds	32.15%	33.46%
Units of money market mutual fund	-	0.91%
Units of equity linked scheme of mutual fund	6.48%	4.47%
Cash at bank and receivables (net)	3.67%	4.71%
	100.00%	100.00%

### h) Actuarial assumptions

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Financial Assumptions</b>		
Discount rate	6.80%	6.70%
Salary escalation rate	7.50%	8.00%
<b>Demographic Assumptions</b>		
Mortality rate	IALM (2012-14) Table	IALM (2006-08) Table
Withdrawal rate	1% to 8%	1% to 8%
Retirement age	55-70 years	58-77 years

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

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

- j) At 31st March 2021, the weighted average duration of the defined benefit obligation was 5.09 years (31st March, 2020 5.24 years). The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows:

Particulars	Gratuity (Funded)
Expected benefits payment for the year ending on	
31st March 2022	173.00
31st March 2023	212.92
31st March 2024	332.92
31st March 2025	280.38
31st March 2026	153.17
31st March 2027 to 31st March 2031	948.48

- k) The Company expects to contribute ₹ Nil to its gratuity fund in F.Y. 2021-22.

### l) Sensitivity Analysis

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

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Effect on DBO due to 1% increase in discount rate	2,266.22	2,364.08
Effect on DBO due to 1% decrease in discount rate	2,673.79	2,799.27
Effect on DBO due to 1% increase in salary escalation rate	2,680.92	2,803.20
Effect on DBO due to 1% decrease in salary escalation rate	2,256.78	2,357.15
Effect on DBO due to 1% increase in withdrawal rate	2,441.70	2,542.53
Effect on DBO due to 1% decrease in withdrawal rate	2,469.45	2,590.50

## 50. SEGMENT REPORTING

### 50.1 Segment Information

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

### 50.2 Description of Segment

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

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

**50.3** The geographical segments considered for disclosure are as under :

Particulars	For the year ended 31st March 2021			For the year ended 31st March 2020		
	Within India	Overseas	Total	Within India	Overseas	Total
Revenue	22,631.95	16,442.72	39,074.67	28,472.67	16,152.23	44,624.90
Non-current assets other than financial instruments *	25,232.96	-	25,232.96	24,938.89	-	24,938.89

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

### 50.4 Extent of reliance on major customer

Revenue from government agencies amounting to ₹ 21,166.38 (54.17% of total revenue); F.Y. 2019-20 ₹ 26,125.22 (58.54% of total revenue) has arisen on sale of jute bags within India.

## 51. DISCLOSURES PURSUANT TO IND AS - 115

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

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

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>A. Primary geographical markets</b>		
Within India	22,631.95	28,472.67
Overseas	16,442.72	16,152.23
<b>Total</b>	<b>39,074.67</b>	<b>44,624.90</b>
<b>B. Major products</b>		
Jute products	39,074.67	44,624.90
<b>Total</b>	<b>39,074.67</b>	<b>44,624.90</b>

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

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

Particulars	As at 31st March 2021	As at 31st March 2020
Receivables, which are included in 'Trade receivables' (Refer Note - 16)	4,207.40	3,420.00
Contract assets	-	-
Contract liabilities (Refer Note - 33)	2.27	29.31
<b>Total (Assets - Liabilities)</b>	<b>4,205.13</b>	<b>3,390.69</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

### 51.4 Other information

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
(i) Transaction price allocated to the remaining performance obligations	Nil	Nil
(ii) The amount of revenue recognised in the current period that was included in the opening contract liability balance	29.31	33.52
(iii) The amount of revenue recognised in the current period from performance obligations satisfied (or partially satisfied) in previous periods	Nil	Nil
(iv) Performance obligations	The Company satisfy the performance obligation on shipment / delivery.	The Company satisfy the performance obligation on shipment / delivery.
(v) Significant payment terms	The amounts receivable from customers become due after expiry of credit period which on an average is less than 30 days. There is no significant financing component in any transaction with the customers.	The amounts receivable from customers become due after expiry of credit period which on an average is less than 30 days. There is no significant financing component in any transaction with the customers.

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

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Amount of CSR expenditure to be incurred during the year	127.32	117.52
CSR expenditure incurred during the year		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above (Refer Note - 43)	127.58	118.03
Related party transaction as per Ind AS 24 in relation to CSR expenditure	-	64.86

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

### 53. Leases

- I. The Company has factory land located at Falta SEZ on operating lease which was renewed for a period of five years commencing from August, 2019 on fixed rental basis with an option to further renew at the end of lease period. In addition to the above, the Company has another leasehold land under finance lease arrangements for term of 99 years which was reclassified from property, plant and equipment to right of use assets during the previous year.

The changes in the carrying value of right of use assets for the year ended 31st March, 2021 are disclosed in Note 6.

- II. Expenses recognised in the Statement of Profit and Loss:

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Rent</b>		
Expense relating to short-term leases	6.23	19.88
Expense relating to low value leases	3.48	8.19
<b>Finance cost</b>		
Interest expense on lease liabilities	10.64	7.66
<b>Depreciation and impairment losses</b>		
Depreciation of right-of-use assets	30.67	18.73

Total cash outflow for leases for the year ended 31st March, 2021 is ₹ 37.40 ( 31st March, 2020 ₹ 22.76 ).

- III. Contractual maturities of lease liabilities:

As per the requirement of Ind AS-107, maturity analysis of lease liabilities have been shown under maturity analysis for financial liabilities under Liquidity risk (Refer Note 57.3(b)(i)). The below table provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

Particulars	For the year ended 31st March 2021
Within one year	37.40
After one year but not more than five years	89.43
More than five years	1.63
	128.46

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligation related to lease liabilities as and when they fall due.

- IV. The weighted average incremental borrowing rate of 9.00% has been applied to lease liabilities recognised in the balance sheet.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

### 54. RELATED PARTY DISCLOSURES PURSUANT TO IND AS - 24

#### 54.1 List of relationships:

**a) Holding Company**

Harsh Investments Private Limited (HIPL)

**b) Key Management Personnel**

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

Mr. Nawal Kishore Kejriwal, Wholetime Director ( upto 31st May, 2020)

Mr. Utkarsh Kanoria, Wholetime Director

Mrs. Malati Kanoria, Non-executive Director

Mr. Navin Nayar, Independent Director

Mr. Padam Kumar Khaitan, Independent Director

Mrs. Rashmi Prashad, Independent Director

Mr. Sushil Kumar Dhandhanania, Independent Director

**c) Relatives of Key Management Personnel**

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

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

Abhyadoot Finance and Investments Private Limited (AFIPL)

Bright & Shine Micro Products Private Limited (BSMPPL)

Cheviot Agro Industries Private Limited (CAIPL)

Cheviot International Limited (CIL)

Khaitan & Company LLP

Cheviot Foundation

Jan Priya Trust

Shashvat Foundation

**e) Post-employment benefit plan entities**

Cheviot Company Limited Employees' Provident Fund

Cheviot Company Limited Employees' Gratuity Trust Fund

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

### 54.2 Transactions carried out during the year :

Transactions/Nature of Relationship	For the year ended 31st March, 2021					For the year ended 31st March, 2020						
	Holding Company	Key Management Personnel	Relatives of Key Management Personnel	Entities over which Key Management Personnel and relatives of Key Management Personnel have significant influence	Post-employment benefit plan entities	Total	Holding Company	Key Management Personnel	Relatives of Key Management Personnel	Entities over which Key Management Personnel and relatives of Key Management Personnel have significant influence	Post-employment benefit plan entities	Total
<b>Sales of goods</b>	-	-	-	-	-	-	-	-	-	0.11	-	0.11
CAIPL	-	-	-	-	-	-	-	-	-	0.11	-	0.11
<b>Rendering of services</b>	0.48	-	-	2.28	-	2.76	0.48	-	-	2.40	-	2.88
CIL	-	-	-	0.60	-	0.60	-	-	-	0.60	-	0.60
CAIPL	-	-	-	1.44	-	1.44	-	-	-	1.44	-	1.44
HIPL	0.48	-	-	-	-	0.48	0.48	-	-	-	-	0.48
Others	-	-	-	0.24	-	0.24	-	-	-	0.36	-	0.36
<b>Receiving of services*</b>	-	640.49	-	2.15	-	642.64	-	723.38	-	8.40	-	731.78
Mr. Harsh Vardhan Kanoria	-	319.18	-	-	-	319.18	-	360.85	-	-	-	360.85
Mr. Nawal Kishore Kejriwal	-	16.13	-	-	-	16.13	-	139.53	-	-	-	139.53
Mr. Utkarsh Kanoria	-	305.18	-	-	-	305.18	-	223.00	-	-	-	223.00
Khaitan & Company LLP	-	-	-	2.15	-	2.15	-	-	-	8.40	-	8.40
<b>Commission to non-executive/independent directors</b>	-	25.00	-	-	-	25.00	-	25.00	-	-	-	25.00
Mrs. Malati Kanoria	-	5.00	-	-	-	5.00	-	5.00	-	-	-	5.00
Mr. Navin Nayar	-	5.00	-	-	-	5.00	-	5.00	-	-	-	5.00
Mr. Padam Kumar Khaitan	-	5.00	-	-	-	5.00	-	5.00	-	-	-	5.00
Mrs. Rashmi Prashad	-	5.00	-	-	-	5.00	-	5.00	-	-	-	5.00
Mr. Sushil Kumar Dhandhania	-	5.00	-	-	-	5.00	-	5.00	-	-	-	5.00

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

Transactions/Nature of Relationship	For the year ended 31st March, 2021					For the year ended 31st March, 2020						
	Holding Company	Key Management Personnel	Relatives of Key Management Personnel	Entities over which Key Management Personnel and relatives of Key Management Personnel have significant influence	Post-employment benefit plan entities	Total	Holding Company	Key Management Personnel	Relatives of Key Management Personnel	Entities over which Key Management Personnel and relatives of Key Management Personnel have significant influence	Post-employment benefit plan entities	Total
<b>Sitting fees paid to non-executive/ independent directors</b>	-	2.40	-	-	-	2.40	-	1.75	-	-	-	1.75
Mrs. Malati Kanoria	-	0.50	-	-	-	0.50	-	0.30	-	-	-	0.30
Mr. Navin Nayar	-	0.50	-	-	-	0.50	-	0.35	-	-	-	0.35
Mr. Padam Kumar Khaitan	-	0.50	-	-	-	0.50	-	0.35	-	-	-	0.35
Mrs. Rashmi Prashad	-	0.40	-	-	-	0.40	-	0.35	-	-	-	0.35
Mr. Sushil Kumar Dhandhania	-	0.50	-	-	-	0.50	-	0.40	-	-	-	0.40
<b>Dividend paid</b>	-	-	-	-	-	-	1,814.20	555.20	0.21	7.08	-	2,376.69
HIPL	-	-	-	-	-	-	1,814.20	-	-	-	-	1,814.20
Mr. Harsh Vardhan Kanoria	-	-	-	-	-	-	-	235.62	-	-	-	235.62
Mrs. Malati Kanoria	-	-	-	-	-	-	-	195.40	-	-	-	195.40
Mr. Utkarsh Kanoria	-	-	-	-	-	-	-	123.97	-	-	-	123.97
Others	-	-	-	-	-	-	-	0.21	0.21	7.08	-	7.50
<b>Buyback of ordinary shares</b>	952.06	407.63	-	3.75	-	1,363.44	-	-	-	-	-	-
HIPL	952.06	-	-	-	-	952.06	-	-	-	-	-	-
Mr. Harsh Vardhan Kanoria	-	173.07	-	-	-	173.07	-	-	-	-	-	-
Mrs. Malati Kanoria	-	143.51	-	-	-	143.51	-	-	-	-	-	-
Mr. Utkarsh Kanoria	-	91.05	-	-	-	91.05	-	-	-	-	-	-
Others	-	-	-	3.75	-	3.75	-	-	-	-	-	-
<b>CSR expenditure</b>	-	-	-	-	-	-	-	-	-	64.86	-	64.86
Cheviot Foundation	-	-	-	-	-	-	-	-	-	64.86	-	64.86
<b>Contributions made (including Employees' share and contribution)</b>	-	-	-	-	472.84	472.84	-	-	-	-	612.96	612.96
Cheviot Company Limited Employees' Provident Fund	-	-	-	-	472.84	472.84	-	-	-	-	612.96	612.96



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

Transactions/Nature of Relationship	For the year ended 31st March, 2021					For the year ended 31st March, 2020						
	Holding Company	Key Management Personnel	Relatives of Key Management Personnel	Entities over which Key Management Personnel and relatives of Key Management Personnel have significant influence	Post-employment benefit plan entities	Total	Holding Company	Key Management Personnel	Relatives of Key Management Personnel	Entities over which Key Management Personnel and relatives of Key Management Personnel have significant influence	Post-employment benefit plan entities	Total
<b>Outstanding against receiving of services</b>	-	<b>556.00</b>	-	-	-	<b>556.00</b>	-	<b>544.00</b>	-	<b>1.58</b>	-	<b>545.58</b>
Mr. Harsh Vardhan Kanoria	-	283.00	-	-	-	283.00	-	324.00	-	-	-	324.00
Mr. Nawal Kishore Kejriwal	-	-	-	-	-	-	-	30.00	-	-	-	30.00
Mr. Utkarsh Kanoria	-	273.00	-	-	-	273.00	-	190.00	-	-	-	190.00
Khaitan & Company LLP	-	-	-	-	-	-	-	-	-	1.58	-	1.58
<b>Outstanding against commission to non-executive/ independent directors</b>	-	<b>23.15</b>	-	-	-	<b>23.15</b>	-	<b>22.50</b>	-	-	-	<b>22.50</b>
Mrs. Malati Kanoria	-	4.63	-	-	-	4.63	-	4.50	-	-	-	4.50
Mr. Navin Nayar	-	4.63	-	-	-	4.63	-	4.50	-	-	-	4.50
Mr. Padam Kumar Khaitan	-	4.63	-	-	-	4.63	-	4.50	-	-	-	4.50
Mrs. Rashmi Prashad	-	4.63	-	-	-	4.63	-	4.50	-	-	-	4.50
Mr. Sushil Kumar Dhandhania	-	4.63	-	-	-	4.63	-	4.50	-	-	-	4.50
<b>Outstanding against Post employment benefit entities</b>	-	-	-	-	-	<b>70.03</b>	-	-	-	-	<b>47.88</b>	<b>47.88</b>
Cheviot Company Limited	-	-	-	-	-	70.03	-	-	-	-	-	47.88
Employees' Provident Fund	-	-	-	-	-	-	-	-	-	-	-	-

\* includes commission paid to Mr. Harsh Vardhan Kanoria - ₹ 283.00 (F.Y. 2019-20 ₹ 324.00), Mr. Nawal Kishore Kejriwal - ₹ Nil (F.Y. 2019-20 ₹ 30.00) and Mr. Utkarsh Kanoria - ₹ 273.00 (F.Y. 2019-20 ₹ 190.00).

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, 2021

(₹ in Lakhs)

### 54.3 Key Management Personnel Compensation:

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Short-term employee benefits	636.83	667.61
Post-employment benefits	3.66	55.77
Long-term employee benefits	-	-
	<b>640.49</b>	<b>723.38</b>

### 55. PARTICULARS RELATING TO DIVIDEND PAID TO NON-RESIDENT SHAREHOLDERS

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Final Dividend</b>		
Number of non-resident shareholders	-	223
Number of shares held by them	-	54,222
Dividend relating to the year	-	2018-19
Amount of dividend (₹)	-	0.54
<b>Special Interim Dividend</b>		
Number of non-resident shareholders	-	213
Number of shares held by them	-	46,239
Dividend relating to the year	-	2019-20
Amount of dividend (₹)	-	22.19

### 56. CAPITAL MANAGEMENT

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

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

### 57. DISCLOSURE ON FINANCIAL INSTRUMENTS

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

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

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

### 57.1 Financial Assets and Liabilities (Non-Current and Current)

Particulars	As at 31st March 2021			As at 31st March 2020		
	Fair value through statement of profit and loss	Fair value through other comprehensive income	Amortised cost	Fair value through statement of profit and loss	Fair value through other comprehensive income	Amortised cost
<b>Financial assets</b>						
Investments						
- Equity instruments	-	0.32	-	-	131.24	-
- Preference shares *	-	-	-	-	-	-
- Mutual funds	18,102.61	-	-	14,644.61	-	-
- Alternative investments funds	2,088.50	-	-	1,634.98	-	-
- Government securities	-	-	5,754.07	-	-	2,625.87
- Debentures and bonds	-	-	6,293.04	-	-	6,524.98
Loans	-	-	22.53	-	-	22.53
Trade receivables	-	-	4,207.40	-	-	3,420.00
Cash and cash equivalents	-	-	404.96	-	-	1,139.55
Other bank balances	-	-	928.44	-	-	987.17
Other financial assets						
- Fixed deposits accounts with bank (maturity over 12 months)	-	-	1,350.00	-	-	1,798.85
- Interest accrued on investments, fixed and security deposits	-	-	242.33	-	-	192.02
- Other deposits, advances & receivables	-	-	136.37	-	-	88.00
<b>Total financial assets</b>	<b>20,191.11</b>	<b>0.32</b>	<b>19,339.14</b>	<b>16,279.59</b>	<b>131.24</b>	<b>16,798.97</b>
<b>Financial liabilities</b>						
Borrowings (including current maturities)	-	-	856.45	-	-	472.09
Lease liabilities	-	-	110.72	-	-	137.48
Trade payables	-	-	408.39	-	-	358.76
Other financial liabilities						
- Interest accrued but not due on borrowings	-	-	-	-	-	0.06
- Unpaid dividends	-	-	78.77	-	-	118.65
- Fractional bonus share proceeds unclaimed	-	-	0.82	-	-	0.82
- Capital creditors	-	-	242.47	-	-	232.89
- Employee related liabilities	-	-	1,036.05	-	-	1,142.00
- Mark to market loss on forward contract	-	-	-	36.30	-	-
- Security deposits and others	-	-	48.15	-	-	48.48
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>2,781.82</b>	<b>36.30</b>	<b>-</b>	<b>2,511.23</b>

\* investment in preference shares is net of impairment.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

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

Particulars	As at 31st March 2021		As at 31st March 2020	
	Amortised cost	Fair value	Amortised cost	Fair value
Preference shares *	-	-	-	-
Government securities	5,754.07	5,740.05	2,625.87	2,665.41
Debentures and bonds	6,293.04	7,683.65	6,524.98	7,423.31

\* Investment in preference shares is net of impairment.

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

### 57.2 Fair Value Hierarchy

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	As at 31st March 2021			As at 31st March 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>						
<b>(i) Measured at amortised cost</b>						
Investments						
- Preference shares *	-	-	-	-	-	-
- Government securities	5,740.05	-	-	2,665.41	-	-
- Debentures and bonds	-	7,683.65	-	-	7,423.31	-
Loans	-	-	22.53	-	-	22.53
Trade receivables	-	-	4,207.40	-	-	3,420.00
Cash and cash equivalents	-	-	404.96	-	-	1,139.55
Other bank balances	-	-	928.44	-	-	987.17
Other financial assets						
- Fixed deposits accounts with bank (maturity over 12 months)	-	-	1,350.00	-	-	1,798.85
- Interest accrued on investments, fixed and security deposits	-	-	242.33	-	-	192.02
- Other deposits, advances & receivables	-	-	136.37	-	-	88.00
<b>Subtotal</b>	<b>5,740.05</b>	<b>7,683.65</b>	<b>7,292.03</b>	<b>2,665.41</b>	<b>7,423.31</b>	<b>7,648.12</b>
<b>(ii) Measured at fair value through profit or loss</b>						
Investments						
- Mutual funds	18,102.61	-	-	14,644.61	-	-
- Alternative investments funds	2,088.50	-	-	1,634.98	-	-
<b>Subtotal</b>	<b>20,191.11</b>	<b>-</b>	<b>-</b>	<b>16,279.59</b>	<b>-</b>	<b>-</b>
<b>(iii) Measured at fair value through other comprehensive income</b>						
Investments						
- Equity instruments	-	-	0.32	130.92	-	0.32
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>0.32</b>	<b>130.92</b>	<b>-</b>	<b>0.32</b>
<b>Total financial assets</b>	<b>25,931.16</b>	<b>7,683.65</b>	<b>7,292.35</b>	<b>19,075.92</b>	<b>7,423.31</b>	<b>7,648.44</b>
<b>Financial liabilities</b>						
<b>(i) Measured at amortised cost</b>						
Borrowings (including current maturities)	-	-	856.45	-	-	472.09
Lease liabilities	-	-	110.72	-	-	137.48
Trade payables	-	-	408.39	-	-	358.76
Other financial liabilities						
- Interest accrued but not due on borrowings	-	-	-	-	-	0.06
- Unpaid dividends	-	-	78.77	-	-	118.65
- Fractional bonus share proceeds unclaimed	-	-	0.82	-	-	0.82
- Capital creditors	-	-	242.47	-	-	232.89
- Employee related liabilities	-	-	1,036.05	-	-	1,142.00
- Security deposits and others	-	-	48.15	-	-	48.48
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>2,781.82</b>	<b>-</b>	<b>-</b>	<b>2,511.23</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	As at 31st March 2021			As at 31st March 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>(ii) Measured at fair value through profit or loss</b>						
Other financial liabilities						
- Mark to market loss on forward contract	-	-	-	-	36.30	-
<b>Subtotal</b>	-	-	-	-	<b>36.30</b>	-
<b>Total financial liabilities</b>	-	-	<b>2,781.82</b>	-	<b>36.30</b>	<b>2,511.23</b>

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

\* investment in preference shares is net of impairment.

### 57.3 Financial Risk Management

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

#### a) Credit Risk

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

##### i) Trade Receivable

Customer credit risk is managed by the Company subject to Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and major customers are generally from government agencies and in respect of export debtors, terms of shipment is either cash against document or 100% advance against proof of shipments or backed by letter of credit / ECGC coverage. Thus, based on past trends, the Company does not foresee any losses in expected credit loss (ECL). The maximum exposure to credit risk at the reporting date is the carrying value of trade receivable disclosed in Note - 16.

##### ii) Financial instruments and cash deposit

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

#### b) Liquidity risk

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

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

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

### i) Maturity analysis for financial liabilities

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

Particulars	On demand	0 to 6 months	More than 6 months to 1 year	More than 1 year	Total
<b>As at 31st March, 2021</b>					
<b>Derivative</b>					
Mark to market loss on forward contract (Refer Note - 32)	-	-	-	-	-
	-	-	-	-	-
<b>Non-derivative</b>					
Borrowings (including current maturities) (Refer Note - 23, 29 & 32)	819.41	7.40	7.41	22.23	856.45
Lease liabilities (Refer Note - 24 & 30)	-	14.30	14.95	81.47	110.72
Trade payables (Refer Note - 31)	-	408.39	-	-	408.39
Other financial liabilities (Refer Note - 25 & 32)	79.59	1,173.37	-	153.30	1,406.26
	<b>899.00</b>	<b>1,603.46</b>	<b>22.36</b>	<b>257.00</b>	<b>2,781.82</b>
<b>As at 31st March, 2020</b>					
<b>Derivative</b>					
Mark to market loss on forward contract (Refer Note - 32)	-	36.30	-	-	36.30
	-	<b>36.30</b>	-	-	<b>36.30</b>
<b>Non-derivative</b>					
Borrowings (including current maturities) (Refer Note - 23, 29 & 32)	416.44	11.20	7.41	37.04	472.09
Lease liabilities (Refer Note - 24 & 30)	-	13.08	13.68	110.72	137.48
Trade payables (Refer Note - 31)	-	358.76	-	-	358.76
Other financial liabilities (Refer Note - 25 & 32)	119.47	1,287.88	-	135.55	1,542.90
	<b>535.91</b>	<b>1,670.92</b>	<b>21.09</b>	<b>283.31</b>	<b>2,511.23</b>

### c) Market risk

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

#### i) Interest rate risk

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

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

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

### a) Exposure to interest rate risk

Particulars	As at	As at
	31st March 2021	31st March 2020
<b>Fixed rate instruments</b>		
Financial assets	14,268.49	11,839.93
Financial liabilities	110.72	144.98
<b>Variable rate instruments</b>		
Financial assets	-	-
Financial liabilities	856.45	464.59

### b) Interest rate sensitivity

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

Particulars	As at 31st March 2021			As at 31st March 2020		
	Sensitivity	Impact on		Sensitivity	Impact on	
		Profit before tax	Other equity		Profit before tax	Other equity
Interest rate increase by	0.50%	(4.28)	(3.20)	0.50%	(2.32)	(1.74)
Interest rate decrease by	0.50%	4.28	3.20	0.50%	2.32	1.74

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

### ii) Foreign currency risk

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

#### a) Exposure to foreign currency risk

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

##### (I) Unhedged foreign currency exposure

Particulars	As at 31st March 2021		As at 31st March 2020	
	USD / Euro	INR	USD / Euro	INR
<b>Financial assets</b>				
<i>Trade receivables</i>				
In USD	28,22,190	2,074.44	17,05,806	1,285.94
In EURO	2,04,443	176.02	-	-
<i>Other financial assets</i>				
In USD	50,330	37.00	5,18,317	390.74
In EURO	-	-	7,872	6.54
		<b>2,287.46</b>		<b>1,683.22</b>



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	As at 31st March 2021		As at 31st March 2020	
	USD / Euro	INR	USD / Euro	INR
<b>Financial liabilities</b>				
<i>Borrowings</i>				
In USD	-	-	-	-
<i>Trade payables and other liabilities</i>				
In USD	1,26,215	92.77	1,55,149	116.96
In EURO	-	-	8,254	6.86
		<b>92.77</b>		<b>123.82</b>
<b>Net exposure in foreign currency (Financial assets - Financial liabilities)</b>				
In USD	27,46,304	2,018.67	20,68,974	1,559.72
In EURO	2,04,443	176.02	(381)	(0.32)
		<b>2,194.69</b>		<b>1,559.40</b>

### (II) Hedged Foreign Currency Exposure

Particulars	As at 31st March 2021		As at 31st March 2020	
	USD / Euro	INR	USD / Euro	INR
<b>Derivative assets</b>				
<i>Forward contract against trade receivables</i>				
In USD	-	-	5,00,000	376.93
In EURO	-	-	-	-
<i>Forward contract against firm commitments</i>				
In USD	-	-	10,00,000	753.86
In EURO	-	-	-	-
		-		<b>1,130.79</b>
<b>Derivative liabilities</b>				
Forward contract - against payable	-	-	-	-
Forward contract - against Firm commitments	-	-	-	-
		-		-
<b>Net exposure in foreign currency (Financial assets - Financial liabilities)</b>				
In USD	-	-	15,00,000	1,130.79
In EURO	-	-	-	-
		-		<b>1,130.79</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

(₹ in Lakhs)

### b) Sensitivity analysis

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

Particulars	As at 31st March 2021			As at 31st March 2020		
	Sensitivity	Impact on		Sensitivity	Impact on	
		Profit before tax	Other equity		Profit before tax	Other equity
USD Sensitivity - Increase	5.00%	100.93	75.53	5.00%	77.99	58.36
USD Sensitivity - (Decrease)	5.00%	(100.93)	(75.53)	5.00%	(77.99)	(58.36)
EURO Sensitivity - Increase	5.00%	8.80	6.59	5.00%	(0.02)	(0.01)
EURO Sensitivity - (Decrease)	5.00%	(8.80)	(6.59)	5.00%	0.02	0.01

### iii) Other price risk

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

#### a) Exposure to other market price risk

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Measured at FVTPL</b>		
Investment in mutual funds	18,102.61	14,644.61
Investment in alternative investment funds	2,088.50	1,634.98
	<b>20,191.11</b>	<b>16,279.59</b>
<b>Measured at FVTOCI</b>		
Investment in equity instruments	0.32	131.24
	<b>0.32</b>	<b>131.24</b>
<b>Total</b>	<b>20,191.43</b>	<b>16,410.83</b>

### b) Sensitivity analysis

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

Particulars	As at 31st March 2021				As at 31st March 2020			
	Sensitivity	Impact on			Sensitivity	Impact on		
		Profit before tax	Other comprehensive income	Other equity		Profit before tax	Other comprehensive income	Other equity
Market rate increase by	5.00%	1,009.56	0.02	755.49	5.00%	813.98	6.56	614.03
Market rate decrease by	5.00%	(1,009.56)	(0.02)	(755.49)	5.00%	(813.98)	(6.56)	(614.03)

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

- 58.** The Company's operations and revenue during the first quarter of the financial year ended 31st March, 2021 were severely affected due to COVID-19 pandemic. In view of the recent surge in COVID-19 cases, subsequent to the year-end, the State Government has imposed restriction on the manpower deployment in Jute Mills vide Orders dated 5th May, 2021 and 7th May, 2021. The Company has taken into account the possible impact of COVID-19 in preparation of the financial statements, including its assessment of recoverable value of its current and non-current assets based on internal and external information up to the date of approval of these financial statements. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. However, the eventual outcome of the impact of the COVID-19 pandemic may be different from those estimated as on the date of approval of these financial statements owing to the nature and duration of COVID-19 pandemic.
- 59.** Previous year's figures have been re-grouped / re-classified, wherever necessary, to make them comparable to the current year's presentation.

As per our report attached

For **Singhi & Co.**  
Chartered Accountants  
Firm's Registration No. 302049E

**Ankit Dhelia**  
Partner  
Membership No. 069178

Place : Kolkata  
Dated the 15th day of May, 2021

**Madhup Kumar Patni**  
Chief Financial Officer

**Aditya Banerjee**  
Company Secretary

For and on behalf of the Board

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

**Utkarsh Kanoria** *Wholtime Director  
(DIN : 06950837)*

**Navin Nayar** *Director  
(DIN : 00136057)*

## NOTICE

### TO THE MEMBERS

**NOTICE** is hereby given that the 123rd Annual General Meeting (AGM) of the Members of Cheviot Company Limited will be held on **Friday, 23rd July, 2021 at 11:00 a.m. (IST)** through video conferencing (VC) or other audio visual means (OAVM), to transact the following business:

#### Ordinary Business:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2021 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on the ordinary shares for the financial year ended 31st March, 2021.
3. To appoint a director in place of Mr. Utkarsh Kanoria (DIN 06950837), who retires by rotation and, being eligible, offers himself for re-appointment.

#### Special Business:

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

**"RESOLVED THAT** pursuant to the provisions of Section 197 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) and Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Company be and is hereby accorded to the payment of commission to the non-executive directors, including independent directors of the Company (i.e. directors other than the Managing Directors and / or Wholtime Directors), for a period of 5 (five) years commencing from 1st April, 2022, as may be decided by the Board of Directors (Board) 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 to determine the manner and proportion in which the amount be distributed among non-executive directors, including independent directors of the Company.

**FURTHER RESOLVED THAT** in the event of absence or inadequacy of profits in any financial year during the tenure of appointment of the non-executive directors, including independent directors of the Company, the Board may pay commission to the non-executive directors, including independent directors of the Company in such year(s) 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, subject to such approvals as may be required."

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of ₹ 40,000/- (Rupees Forty Thousand Only) plus applicable taxes and re-imbursment of out of pocket expenses payable to M/s D. Radhakrishnan & Co., Cost Accountants (Registration No. 000018), appointed as the cost auditor by the Board of Directors of the Company to conduct audit of the cost accounting records maintained by the Company for the financial year ending 31st March, 2022, be and is hereby ratified."

By Order of the Board,  
For **CHEVIOT COMPANY LIMITED**

**Aditya Banerjee**  
Company Secretary  
FCS 10954

Kolkata, 15th May, 2021

CIN : L65993WB1897PLC001409

Registered Office : 24, Park Street, 'Magma House', (9th Floor), Kolkata - 700 016

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

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

## NOTICE *(Contd.)*

### NOTES:

- The Register of Members and the Share Transfer Register of the Company will remain closed from Saturday, 17th July, 2021 to Friday, 23rd July, 2021 (both days inclusive) for the purpose of payment of dividend.**
- The statement pursuant to Section 102 of the Companies Act, 2013, relating to the special business set out in this notice, is annexed hereto.
- In order to follow the social distancing norms and prevent the spread of COVID-19, the AGM shall be conducted through VC/OAVM without the physical presence of the members at a common venue in accordance with the clarification(s)/relaxation(s) issued by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI) vide MCA Circular Nos. 02/2021 dated 13th January, 2021, 20/2020 dated 5th May, 2020, 17/2020 dated 13th April, 2020 and 14/2020 dated 8th April, 2020 and SEBI Circular Nos. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 and SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 (hereinafter collectively referred to as "MCA/SEBI Circulars"). The Members can attend and participate at the ensuing AGM through VC/OAVM only. The venue of the AGM shall be deemed to be the registered office of the Company at 24, Park Street, Magma House, (9th Floor), Kolkata - 700 016.
- ONLY A MEMBER IS ENTITLED TO ATTEND AND VOTE AT THE AGM THROUGH VC/OAVM.** Pursuant to MCA/SEBI Circulars, the facility to appoint proxies by the members will not be available for this AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed hereto. However, pursuant to Section 113 of the Companies Act, 2013, corporate members are entitled to appoint authorised representative to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-Voting. 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 at the AGM.
- The members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- The members can join 15 (fifteen) minutes before and after the scheduled time of the commencement of the AGM through VC/OAVM by following the procedure mentioned in this notice. The facility to join the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include members holding two percent or more shares, promoters, institutional investors, directors, key managerial personnel, auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- The notice calling the AGM, inter-alia, indicating the process and manner of e-Voting and participating at AGM through VC/OAVM will be available on Company's website (<https://www.groupcheviot.net>) and can also be accessed from the websites of BSE Limited (<https://www.bseindia.com>) and National Securities Depository Limited (NSDL) (<https://www.evoting.nsdl.com>).
- Dividend, as recommended by the Board of Directors, if declared at the AGM, will be paid, subject to deduction of income tax at source, on and from Wednesday, 28th July, 2021 to those members, whose names shall appear in the Company's Register of Members at the close of business hours of the Company on Friday, 16th July, 2021. In respect of the shares held in dematerialised form, the dividend will be paid to those members, whose names shall appear as beneficial owners at the end of the business hours on Friday, 16th July, 2021 as per details to be furnished by the depositories.
- The Company is required to deduct tax at source while making payment of dividend as per the provisions of the Income Tax Act, 1961. Members are requested to submit their residential status, PAN and category to their respective depository participant(s) (DPs) in case of shares held in dematerialised form and with the Company/Registrar in case of shares held in physical form by sending documents through e-mail or uploading on web-link: <https://mdpl.in/form> (select as applicable) on or before Friday, 16th July, 2021. For more details, please refer to our "Communication on tax deduction on dividend" annexed to this notice and also available on Company's website (<https://www.groupcheviot.net>).
- Pursuant to Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed unless the securities are held in dematerialised form with a depository. Therefore, members are requested to consider dematerialising shares held by them in physical form.

## NOTICE (Contd.)

11. Unpaid / unclaimed dividend for the financial year ended 31st March, 2014 and the corresponding ordinary shares of the Company in respect of which dividend remain unpaid / unclaimed for seven consecutive years will become due for transfer to the Investor Education and Protection Fund ("IEPF") during October, 2021. Members are requested to claim their dividend, details of which are available on the website of the Company (<https://www.groupcheviot.net>), before transfer to IEPF. Members, whose unclaimed dividend / shares have been transferred to IEPF, may claim back the same from the IEPF Authority by filing Form No. IEPF-5, for which details are available on [www.iepf.gov.in](http://www.iepf.gov.in). Mr. Aditya Banerjee, Company Secretary of the Company is the Nodal Officer for the purpose of verification of IEPF claims.
12. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in dematerialised form are, accordingly, requested to submit their PAN to their respective DPs, if they have not done so already. Members holding shares in physical form are requested to submit their PAN to the Company's Registrar and Share Transfer Agent, M/s Maheshwari Datamatics Private Limited through the web link: <https://mdpl.in/form/pan-update/>.
13. Members are requested to provide their bank details 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, PAN, e-mail ID, nomination, Electronic Clearing Service (ECS) mandates etc. to their respective DPs, if they have not done so already. Members holding the Company's shares in physical form are requested to intimate such changes to the Company's Registrar and Share Transfer Agent, M/s Maheshwari Datamatics Private Limited through the web link: <https://mdpl.in/form> (select as applicable).
14. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time. Pursuant to Section 72 of the Companies Act, 2013, members are requested to avail the nomination facility in respect of shares held by them by submitting Form No. SH-13 with the Registrar/DPs, if they have not done so already.
15. **Information in respect of director seeking re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings:**

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

Mr. Utkarsh Kanoria, aged 28 years, has received his bachelor degree from the Carnegie Mellon University at United States and joined Cheviot Company Limited in August, 2014. He has in-depth knowledge on the operations of Jute Industry and is presently monitoring the overall factory operations. The Company will be benefitted by his experience and knowledge. Mr. Utkarsh Kanoria is son of Mr. Harsh Vardhan Kanoria and Mrs. Malati Kanoria. None of the other directors on the Board of Directors is related to Mr. Utkarsh Kanoria. Mr. Utkarsh Kanoria attended 5 (five) Board Meetings of the Company held during the financial year 2020-2021. Mr. Utkarsh Kanoria does not hold directorship and/or membership of Committees of the Board in any other listed company. Mr. Utkarsh Kanoria held 2,42,892 ordinary shares of the Company as at 31st March, 2021. Mr. Utkarsh Kanoria will continue to receive remuneration as approved by the members at the AGM held on 25th August, 2017 and 24th July, 2019, if re-appointed.

Name of other companies in which Mr. Utkarsh Kanoria also holds the directorship: 1. Harsh Investments Private Limited and 2. Indian Jute Mills Association.

## NOTICE *(Contd.)*

### 16. Voting through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013, the Rules framed thereunder, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with MCA/SEBI Circulars and Secretarial Standard on General Meetings, the Company is pleased to provide to members the facility to exercise their right to vote on resolutions set forth in this notice by electronic means (e-Voting). The e-Voting facility will be provided by NSDL.

#### I. Instruction for remote e-Voting are as under :

The remote e-Voting period shall commence on **Monday, 19th July, 2021 at 10:00 a.m. (IST)** and end on **Thursday, 22nd July, 2021 at 5:00 p.m. (IST)**. During this period, members of the Company holding share either in physical form or in dematerialised form as on the cut-off date, Friday, 16th July, 2021, may cast their vote. 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.

The process and manner for remote e-Voting are as under:

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

**Step 1: Access to NSDL's e-Voting website at** <https://www.evoting.nsdl.com/>

#### A) Login method for e-Voting and joining AGM through VC/OAVM available to all individual members holding shares in dematerialised form

In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020, individual members holding shares in dematerialised form can participate in the e-Voting process by way of a single login credential, through their demat accounts or websites of depositories/DPs. Members are advised to update their mobile number and email ID in their demat accounts in order to access e-Voting facility.

Login method for individual members holding securities in dematerialised form is given below:

#### 1. Individual Members holding securities in dematerialised form with NSDL

- i) If you are already registered for **NSDL IDeAS facility**, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsdl.com/> either on a desktop computer/laptop or on a mobile phone. Once the home page of e-Services is launched, click on the "**Beneficial Owner**" icon under "**Login**" which is available under "**IDeAS**" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "**Access to e-Voting**" under e-Voting services and you will be able to see the e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website to cast your vote during the remote e-Voting period or to join and cast your vote during AGM.
- ii) If the user is not registered for IDeAS e-Services, the option to register is available at <https://eservices.nsdl.com>. Select "**Register Online for IDeAS**" or click on <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>.
- iii) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a desktop computer/laptop or on a mobile phone. Once the home page of NSDL e-Voting website is launched, click on the "**Login**" icon available under '**Shareholder/Member**' section. A new screen will open. You will have to enter your User ID (i.e. your 16 (sixteen) digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to NSDL e-Voting website to cast your vote during the remote e-Voting period or to join and cast your vote during AGM.

## NOTICE (Contd.)

### 2. Individual Members holding securities in dematerialised form with Central Depository Services (India) Limited (CDSL)

- i) Existing users who have opted for Easi / Easiest can login through their User ID and password. Option will be made available to reach the e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or [www.cdslindia.com](http://www.cdslindia.com) and click on "New System Myeasi".
- ii) After successful login on Easi/Easiest, the user will be also able to see the e-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.
- iii) If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>.
- iv) Alternatively, the user can directly access e-Voting page by providing demat account number and PAN from a link in [www.cdslindia.com](http://www.cdslindia.com) home-page. The system will authenticate the user by sending OTP on registered mobile number and email ID as recorded in the demat account. After successful authentication, user will be provided link of NSDL, where the e-Voting facility is provided.

### 3. Individual Members (holding securities in dematerialised form) login through their depository participant(s)

Individual members can also login using the login credentials of their demat account through their Depository Participant(s) registered with NSDL/CDSL for e-Voting facility. Once logged in, you will be able to see the e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL depository site after successful authentication, wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to NSDL e-Voting website to cast your vote during the remote e-Voting period or to join and cast your vote during AGM.

**Important note: Members who are unable to retrieve User ID/ Password are advised to use "Forget User ID" and "Forget Password" options available at abovementioned website.**

Helpdesk for individual members holding securities in dematerialised form for any technical issues related to login through depositories i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual members holding securities in dematerialised form with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 or 1800 22 44 30.
Individual members holding securities in dematerialised form with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at (022) 2305 8738 or (022) 2305 8542/43.

### B) Login method for e-Voting and joining AGM through VC/OAVM for members other than individual members holding securities in dematerialised form and members holding securities in physical form.

1. Visit NSDL e-Voting website by opening your web browser and type the following URL either on a desktop computer/laptop or on a mobile phone: <https://www.evoting.nsdl.com/>.
2. Once the home page of NSDL e-Voting website is launched, click on the "Login" icon available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID (i.e. your 16 (sixteen) digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.



## NOTICE (Contd.)

Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can login at <https://eservices.nSDL.com/> with your existing IDeAS Login details. Once you Login to NSDL e-services using your Login credentials, click on 'e-voting' and proceed to Step 2, i.e. cast your vote electronically on NSDL e-Voting website.

4. Your User ID details are given below:

Manner of holding shares, i.e. Demat (NSDL or CDSL) or Physical	Your User ID is :
i) For members who hold shares in demat account with NSDL	8 character DP ID followed by 8 digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your User ID is IN300***12*****
ii) For members who hold shares in demat account with CDSL	16 digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your User ID is 12*****
iii) For members holding shares in physical form	EVEN – 116101, followed by Folio Number registered with the Company. For example, if your Folio Number is 001*** then your User ID is 116101001***

5. Password details for members other than individual members holding securities in dematerialised form are given below:

- i) If you are already registered for e-Voting, then you can use your existing Password to Login and cast your vote.
- ii) If you are using the NSDL e-Voting website for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will prompt you to change your password.
- iii) How to retrieve your 'initial password'?
  - a) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you by NSDL from your mailbox. Open the email and open the attachment (it will be a .pdf file). Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for your NSDL account or the last 8 digits of your client ID for your CDSL account or Folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - b) If your e-mail ID is not registered, then please follow the steps as mentioned below at Note 16(II).

6. If you have not received the 'initial password' or are unable to retrieve it or have forgotten your Password:

- i) Holding shares in demat accounts with NSDL or CDSL: Click on the '**Forgot User Details/Password?**' option available on <https://www.evoting.nSDL.com/>.
- ii) Holding shares in physical form: '**Physical User Reset Password?**' option is also available on <https://www.evoting.nSDL.com/>.
- iii) Members can also use the OTP (One Time Password) based login to cast their votes on the e-Voting website of NSDL.
- iv) If you are still unable to get your password following the aforesaid options, you can send a request to [evoting@nSDL.co.in](mailto:evoting@nSDL.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

## NOTICE (Contd.)

7. After entering your password, tick on agree to “Terms and Conditions” by selecting on the check box.
8. Next, you will have to click on ‘Login’ button.
9. After you click on the ‘Login’ button, the homepage of e-Voting will open.

### **Step 2: Cast your vote electronically on NSDL e-Voting website.**

#### **How to cast your vote electronically and join AGM on NSDL e-Voting website?**

1. After successful Login, by following Step 1, you will be able to see the ‘EVEN’ of all the companies in which you hold shares and whose voting cycles and/or AGM are in ‘active’ status.
2. Select ‘EVEN - 116101’ of Cheviot Company Limited for which you wish to cast your vote during the remote e-Voting period and/or cast your vote during AGM. Now you are ready for e-Voting as the voting page opens.
3. To join AGM, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
4. Cast your vote by selecting appropriate options, i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on ‘Submit’. Also click on ‘Confirm’ when prompted.
5. Upon confirmation, the message, ‘Vote cast successfully’ will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Please remember that you are not allowed to modify your vote once you confirm your vote on a resolution.

#### **General guidelines for members**

1. Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. of the authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail at [investorservices@chevjute.com](mailto:investorservices@chevjute.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the NSDL e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  3. In case of any query / grievance connected with remote e-Voting or e-Voting at the AGM, members may refer to the Frequently Asked Questions (FAQs) for Shareholders and E-voting User Manual for Shareholders available in the Download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on the toll free no.: 1800 1020 990 or 1800 22 44 30 or contact Mr. Amit Vishal, Senior Manager or Ms. Pallavi Mhatre, Manager, NSDL, at telephone no. (022) 2499 4360 or (022) 2499 4545 or at email ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- II. Process for those members whose email address are not registered with the Company / Depositories, for procuring User ID and Password for e-Voting on the resolutions set out in this notice and to participate at the AGM through VC/OAVM:**
1. Members holding shares in physical form and who have not registered their email address with the Company can get the same registered through the web link: <https://mdpl.in/form/email-update>. Members are requested to provide Folio No., name of member, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN/AADHAAR for verification at the time of registration of the email address. In case of any difficulty, please contact us by email at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com) or [investorservices@chevjute.com](mailto:investorservices@chevjute.com).
  2. Members holding shares in the dematerialised form and who have not registered their email address are requested to register / update their email address with their respective DP(s).

## NOTICE (Contd.)

3. Individual members holding securities in dematerialised form are requested to refer to the login method explained at Step 1(A) under Note 16(l) above i.e. Login method for e-Voting and joining AGM through VC/OAVM available to all individual members holding shares in dematerialised form.
4. Alternately, members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring User ID and password for e-Voting by providing above mentioned documents.

### III. Instructions for e-Voting during the AGM are as under :

1. The procedure for e-Voting during the AGM is same as the instructions mentioned above for remote e-Voting.
  2. Only those members, who will be present at the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through NSDL e-Voting website during the AGM.
  3. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
  4. The details of the person who may be contacted for any grievance connected with the facility for e-Voting during the AGM shall be the same person mentioned for remote e-Voting.
- IV. The voting rights of members shall be in proportion to their shares in the paid up ordinary share capital of the Company as on the cut-off date, Friday, 16th July, 2021.
- V. Any person, who acquires share(s) of the Company and becomes member of the Company after despatch of the notice of AGM and holding share(s) as on the cut-off date, Friday, 16th July, 2021, may obtain the User ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

However, if you are already registered with NSDL for remote e-Voting then you can use your existing User ID and password to cast your vote. Individual members holding securities in dematerialised form are requested to refer to the login method explained at Step 1(A) under Note 16(l) above i.e. Login method for e-Voting and joining AGM through VC/OAVM available to all individual members holding shares in dematerialised form.

- VI. A person, whose name appears in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, Friday, 16th July, 2021 shall only be entitled to vote and attend the AGM through VC/OAVM.
- VII. Mr. Mohan Ram Goenka, a practicing company secretary, has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of e-Voting at the AGM, unblock and count the total votes cast by the members and submit a consolidated scrutinizer's report to the Chairman or a person authorised by him in writing.
- VIII. The results of the e-Voting will be declared within 48 (forty-eight) hours from the conclusion of the AGM. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company (<https://www.groupcheviot.net>) and on the website of NSDL immediately. The results shall simultaneously be forwarded to the BSE Limited, where the shares of the Company are listed.

### 17. Instructions for attending the AGM through VC/OAVM

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting website. Members may access NSDL e-Voting website by following the steps mentioned above for "Access to NSDL e-Voting website". The link for VC/OAVM will be available in 'Shareholder/Member' login where the 'EVEN - 116101' of Company will be displayed. After successful login, please click on 'VC/OAVM' link placed under "Join General Meeting" menu against company name. Please note that members, who do not have the User ID and password for e-Voting or have forgotten the User ID and password, may retrieve the same by following the remote e-Voting instructions mentioned in this notice. Further, members can also use the OTP based login for logging into the NSDL e-Voting website.

## NOTICE *(Contd.)*

2. Members are requested to use stable internet connection (Wi-Fi or LAN) to avoid any audio/visual loss during the AGM. Members may use Laptop for better experience.
  3. Members who would like to express their views or raise any question during the AGM need to register themselves as a speaker by sending a request from their registered email address mentioning their name, DPID and CLID/Folio number, mobile number at [investorservices@chevjute.com](mailto:investorservices@chevjute.com) latest by 4:00 P.M. on 21st July, 2021. Members, who are successfully registered as speaker will be informed over email on 22nd July, 2021. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time for the AGM.
18. All documents referred to in the accompanying notice and the statement annexed thereto shall be made available for inspection through electronic mode, basis on the request being sent at [investorservices@chevjute.com](mailto:investorservices@chevjute.com).
  19. In terms of Sections 101 and 136 of the Companies Act, 2013 read with relevant Rules made thereunder and MCA/SEBI Circulars, notice calling the AGM and the Annual Report for the financial year ended 31st March, 2021, comprising of Board's Report, Independent Auditors' Report, Financial Statements, etc. will be sent to the members through email only. Members are requested to register/update their email ID by following the steps mentioned above at Note 16(II) to receive these documents through email. Notice calling the AGM and the Annual Report for the financial year ended 31st March, 2021 will also be available on the website of the Company (<https://www.groupcheviot.net>) and on the website of BSE Limited (<https://www.bseindia.com>).
  20. The scanned copies of Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which directors are interested and the relevant documents referred to in this notice will be available electronically for inspection by the members during the AGM.
  21. Members desirous of getting any information about the financial statements and/or operations of the Company are requested to send their queries at [investorservices@chevjute.com](mailto:investorservices@chevjute.com) at least 10 (ten) days in advance of the AGM i.e. by Tuesday, 13th July, 2021, so that proper information can be made available at the AGM.
  22. M/s Singhi & Co., Chartered Accountants (Firm Registration No. 302049E), was appointed as statutory auditors of the Company by the members at the AGM of the Company held on 25th August, 2017 to hold office for a term of 5 (five) consecutive years from the conclusion of that AGM until the conclusion of the sixth consecutive AGM on a remuneration to be mutually agreed upon with the Board of Directors subject to ratification by the members at every AGM. Consequent to the amendment in Section 139 of the Companies Act, 2013, vide which the proviso requiring ratification of such appointment by members at every AGM has been omitted, no item has been included in this notice towards ratification of such appointment. Accordingly, M/s Singhi & Co. shall continue to hold the office as statutory auditors of the Company for the remaining term of their appointment as approved by the members at the AGM held on 25th August, 2017 without ratification of such appointment at every AGM.

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

#### Item No. 4.

The members at the AGM held on 29th July, 2016, approved payment of commission for a period of 5 (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 Wholetime 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 Companies Act, 2013.

On the basis of the recommendation of nomination and remuneration committee and keeping in view the role, functions and duties of the non-executive directors, including independent directors of the Company, it is proposed that, commission be continued to be paid to the non-executive directors, including independent directors of the Company.

## NOTICE (Contd.)

The Board of Directors will determine in 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 the event that the Company, in any financial year during the tenure of appointment of non-executive directors, including independent directors of the Company, has no profits or its profits are inadequate, the commission payable to non-executive directors, including independent directors of the Company in such year(s) shall not exceed the ceiling laid down in Section II of Part II of Schedule V to the Companies Act, 2013 or any modification(s) or re-enactment thereof, subject to such approvals as may be required.

Members approval is sought at the ensuing AGM for paying commission to non-executive directors, including independent directors of the Company, for a period of 5 (five) years commencing from 1st April, 2022 since the validity of the earlier resolution passed by the members at the AGM held on 29th July, 2016 shall expire on 31st March, 2022.

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/or Committees thereof.

Save and except the non-executive directors, including independent directors of the Company, none of the other directors and/or key managerial personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

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

### Item No. 5.

On the recommendation of the audit committee, the Board of Directors have approved the re-appointment of M/s D. Radhakrishnan & Co., Cost Accountants (Registration No. 000018), being eligible and having sought re-appointment, as cost auditor of the Company, to conduct audit of the cost accounting records maintained by the Company for the financial year ending 31st March, 2022 for a remuneration of ₹ 40,000/- (Rupees Forty Thousand only) plus applicable taxes and re-imbursalment of out of pocket expenses on actuals as required in terms of the Companies (Cost Records and Audit) Rules, 2014.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, consent of the members is sought for ratification of the remuneration payable to the cost auditor for the financial year ending 31st March, 2022.

None of the directors and/or key managerial personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

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

By Order of the Board,  
For **CHEVIOT COMPANY LIMITED**

**Aditya Banerjee**  
Company Secretary  
FCS 10954

Kolkata, 15th May, 2021

CIN : L65993WB1897PLC001409

Registered Office : 24, Park Street, 'Magma House', (9th Floor), Kolkata - 700 016

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

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

## COMMUNICATION ON TAX DEDUCTION ON DIVIDEND

### THIS COMMUNICATION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Dear Member,

We hope this communication finds you safe and in good health.

We are pleased to inform that the Board of Directors at their meeting held on Saturday, 15th May, 2021 have recommended Special Dividend of ₹ 175/- per fully paid-up ordinary share of face value of ₹ 10/- each for the financial year ended 31st March, 2021, subject to approval of the members at the ensuing Annual General Meeting of the Company convened to be held on Friday, 23rd July, 2021. The special dividend will be paid to those members, whose name shall appear in the Register of Members or in the Register of Beneficial Owners maintained by the depositories, as on the Record Date, Friday, 16th July, 2021.

You may be aware that the provisions of dividend distribution tax payable by domestic companies under Section 115-O of the Income Tax Act, 1961 ("IT Act") on declaration of dividend have been abolished w.e.f. 1st April, 2020 and consequently, the dividend paid or distributed by a domestic company is now taxable in the hands of the recipient members.

Pursuant to Section 194 of the IT Act, the Company is now under an obligation to deduct tax at source (TDS), wherever applicable, at the time of making the payment of dividend.

This communication provides a brief on the applicable TDS provisions under the IT Act for Resident and Non-Resident members and information/documents required from the members.

#### A. For Resident Members :

1. No TDS shall be deducted, if aggregate dividend distributed or likely to be distributed to individual member does not exceed ₹ 5,000/- during that financial year.
2. In other cases, TDS is required to be deducted at the rate of **10%** u/s 194 of the IT Act where members have registered their valid Permanent Account Number (PAN). In case, PAN is not available or invalid, TDS at the rate of **20%** shall be deducted under Section 206AA of the IT Act.
3. No TDS shall be deducted from dividend payable to Mutual Funds, Insurance Companies, Category I and II Alternative Investment Fund, Recognised Provident funds, Approved Superannuation Fund, Approved Gratuity Fund, National Pension Scheme, Government (Central/State) or any other entity entitled to exemption from TDS for the time being in force, subject to specified conditions and submission of declaration as per **Annexure 1** with certified copies of evidences.
4. No TDS shall be deducted on furnishing of valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of sixty years with no tax liability on total income).
5. TDS will be deducted at the rate prescribed in the certificate issued u/s 197 of the IT Act, if valid certificate is submitted.

#### B. For Non-resident Members :

1. TDS shall be deducted at the rate of 20% (plus applicable surcharge and cess) u/s 196D of the IT Act in case of Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs) and u/s 195 of the IT Act for other non-resident members.
2. TDS shall be deducted at lower/nil rate on submission of valid certificate issued u/s 197/195 of the IT Act.
3. Non-resident members may avail lower TDS rate as per Agreement for Avoidance of Double Taxation (DTAA) between India and the country of tax residence of the non-resident member, on furnishing the below specified documents:
  - a) Self-attested copy of PAN. In case PAN is not available, provide details as per Rule 37BC of the Income-Tax Rules, 1962;
  - b) Self-attested copy of valid Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the member is a resident;
  - c) Self-declaration in Form 10F; and
  - d) Self-declaration on letterhead of having no Permanent Establishment in India, Beneficial ownership of shares and eligibility to claim treaty benefits as per **Annexure 2**.

Note: The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction on dividend paid to non-resident members. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non-resident members.

## COMMUNICATION ON TAX DEDUCTION ON DIVIDEND (Contd.)

### C. Submission of documents and other matters :

1. In view of the prevailing COVID 19 situation, only scanned copies of the documents such as PAN, Forms 15G/15H/10F/ Self-declaration/documentary evidences etc. are required to be uploaded on the web-link: <https://mdpl.in/form> (select as applicable) on or before the Record Date, Friday, 16th July, 2021. Alternately, members may send these documents, as applicable, duly completed and signed, through e-mail at [investorservices@chevjute.com](mailto:investorservices@chevjute.com) on or before the Record Date, Friday, 16th July, 2021.
2. Please update/verify your PAN and the residential status as per IT Act, if not done so already, with your respective Depository Participant(s) (in case of shares held in dematerialised form) and with the Company's Registrar and Share Transfer Agent, M/s Maheshwari Datamatics Private Limited (in case of shares held in physical form) through the web-link: <https://mdpl.in/form/pan-update> on or before the Record Date, Friday, 16th July, 2021.
3. TDS will be calculated based on details of first holder / registered member / beneficial owner only as appearing on Record Date. Once TDS is deducted, no transfer of such TDS in the name of another person shall be entertained under any circumstances.
4. TDS certificate will be sent to the members' registered email address in due course after payment of dividend and filing of TDS Return. Members will also be able to view the TDS details in Form 26AS by login to <https://www.incometax.gov.in> provided that valid PAN is registered with the Company/Depository Participant(s).
5. TDS on dividend payable on ordinary shares of the Company, which have been transferred to Investor Education and Protection Fund ('IEPF') in terms of Section 124(6) of the Companies Act, 2013 and Rules framed thereunder shall be determined on the basis of the shareholding of respective members entitled to those shares.
6. In case of incomplete or conflicting information, or the valid information/documents not being provided, the Company will arrange to deduct tax at the maximum applicable rate. In case TDS is deducted at a higher rate, an option is still available with the member to file the return of income and claim an appropriate refund, if eligible. Once deducted, no claim shall lie against the Company in relation to TDS.
7. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the member(s), such member(s) will be responsible to indemnify the Company and also, provide the Company with all valid information / documents.

### D. Update your Bank Account details:

In view of the prevailing COVID-19 pandemic, members are requested to ensure that their bank account details are updated with the Registrar/Depository Participant(s) to get credit of dividend in their respective bank accounts.

Members holding shares in physical form and who have not updated their bank accounts details are requested to send duly completed NACH Mandate Form (available at <https://mdpl.in/form/nach-mandate>) with signature of the First/Sole holder attested by your banker along with a cancelled cheque leaf with your name, account no. and IFSC Code printed thereon to the Company's Registrar and Share Transfer Agent, M/s. Maheshwari Datamatics Private Limited, 23 R.N. Mukherjee Road, 5th Floor, Kolkata-700001. In case your name is not printed on the cheque leaf, you are requested to additionally send self-attested copy of your pass book / bank statement showing your name, account no and IFSC Code.

In the covering letter, please mention name of the Company, Folio No., along with your name, address, email ID and phone no. before uploading the information online through the web-link: <https://mdpl.in/form> (select as applicable).

All the links given above will be disabled at the close of business hours on **Friday, 16th July, 2021**.

For **CHEVIOT COMPANY LIMITED**

**Aditya Banerjee**

Company Secretary

Kolkata, 15th May, 2021

CIN : L65993WB1897PLC001409

Registered Office : 24, Park Street, 'Magma House', (9th Floor), Kolkata - 700 016

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

Email ID: [cheviot@chevjute.com](mailto:cheviot@chevjute.com); Website: [www.groupcheviot.net](http://www.groupcheviot.net)

## COMMUNICATION ON TAX DEDUCTION ON DIVIDEND (Contd.)

### MEMBERS MAY FURTHER NOTE THAT:

The provisions of Section 206AB of the IT Act (applicable w.e.f. 1st July, 2021) shall require deduction of tax at higher of the following rates from amount paid/credited to 'specified person':

- (i) At twice the rate specified in the relevant provision of the Act; or
- (ii) At twice the rate(s) in force; or
- (iii) At the rate of 5%.

The 'specified person' under Section 206AB of the IT Act means a person who has:

- (i) not filed the returns of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under section 139(1) of the IT Act has expired; and
- (ii) the aggregate of tax deducted at source and tax collected at source in his/her case is ₹ 50,000/- or more in each of these two previous years.

The specified person does not include a non-resident who does not have a permanent establishment in India.

The 'specified person' under Section 206AB of the IT Act will be determined on the basis of the mechanism prescribed by the CBDT.

For **CHEVIOT COMPANY LIMITED**

**Aditya Banerjee**  
Company Secretary

Kolkata, 28th June, 2021

CIN : L65993WB1897PLC001409

Registered Office : 24, Park Street, 'Magma House', (9th Floor), Kolkata - 700 016

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

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

Disclaimer: This communication should not be treated as an advice on tax matters from the Company or its Registrar, M/s Maheshwari Datamatics Private Limited. Members should consult with their own tax advisors for proper understanding of the tax provisions applicable in their case.



## COMMUNICATION ON TAX DEDUCTION ON DIVIDEND (Contd.)

### ANNEXURE 1

#### FORMAT FOR DECLARATION REGARDING CATEGORY AND BENEFICIAL OWNERSHIP OF SHARES

Date:

To,

**Cheviot Company Limited**

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

**Subject: Declaration regarding Category and Beneficial Ownership of shares**

**Ref: PAN** < Mention PAN of Shareholder >

**Folio Number / DP ID/ Client ID** – < Mention all the account details >

With reference to the captioned subject, and in relation to the appropriate withholding of taxes on the Dividend payable to me / us by **Cheviot Company Limited** (the Company), I / We hereby declare as under:

- I/We, .....<mention Full name of the shareholder>, holding .....< mention number of shares held> ordinary share(s) of the Company as on the Record Date, hereby declare that I am /we are tax resident of India for the period April 2021-March 2022.
- I/We hereby declare that <Select whichever is applicable>:

<input type="checkbox"/>	We are an Insurance Company and are the beneficial owner of the share(s) held in the Company and we are submitting self-attested copy of PAN Card.
<input type="checkbox"/>	We are a Mutual Fund specified in Section 10(23D) of the Income Tax Act, 1961 (the IT Act) and are the beneficial owner of the share(s) held in the Company and we are submitting self-attested copy of PAN Card and registration certificate.
<input type="checkbox"/>	We are Alternative Investment fund established in India and are the beneficial owner of the share(s) held in the Company and our income is exempt under Section 10(23FBA) of the IT Act and is governed by SEBI regulations as Category I or Category II AIF and we are submitting self-attested copy of the PAN card and registration certificate.
<input type="checkbox"/>	We are .....<mention category of the entity> and are the beneficial owner of the share(s) held in the Company and are not subject to tax deduction at source under Section 196 of the IT Act and we are submitting self-attested copy of the documentary evidence supporting the exemption status along with self-attested copy of PAN card.

- I/ We further indemnify the Company for any penal consequences arising out of any acts of commission or omission initiated by the Company by relying on my/ our above statement.
- I/We hereby confirm that the above declaration should be considered to be applicable for all the shares held in the Company under PAN/ Folios declared in this form.

For.....<Mention the name of the payee>

Authorised Signatory

<Name of the person signing>

<Designation of the person signing>

## COMMUNICATION ON TAX DEDUCTION ON DIVIDEND (Contd.)

### ANNEXURE 2

#### FORMAT FOR DECLARATION FOR CLAIMING BENEFITS UNDER DTAA

Date:

To,

**Cheviot Company Limited**

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

Kolkata 700 016

**Subject: Declaration for eligibility to claim benefit under Agreement for Avoidance of Double Taxation between Government of India and Government of..... <Mention country of tax residency> ("DTAA"), as modified by Multilateral Instrument ("MLI"), if applicable**

With reference to above, I/We wish to declare as below:

1. I / We, <Full name of the shareholder>, having permanent account number (PAN) under the Income Tax Act, 1961 ("the IT Act") ..... <mention PAN>, if available, and holding ..... <mention number of shares held> ordinary shares of the Company under demat account number/folio number..... as on the record date, am / are a tax resident of ..... <country name> in terms of Article 4 of the DTAA as modified by MLI (if applicable) and do not qualify as a 'resident' of India under Section 6 of the IT Act. A copy of the valid tax residency certificate for ..... <period>, which is valid as on the Record Date, is attached herewith.
2. I/We am/are eligible to be governed by the provisions of the DTAA as modified by MLI (if applicable), in respect of the dividend income and meet all the necessary conditions to claim treaty rate.
3. I/We am/are the legal and beneficial owner of the dividend income to be received from the Company.
4. I/We do not have a Permanent Establishment ("PE") in India in terms of Article 5 of the DTAA as modified by MLI (if applicable) or a fixed base in India and the amounts paid/payable to us, in any case, are not attributable to the PE or fixed base, if any, which may have got constituted otherwise.
5. I/We do not have a PE in a third country and the amounts paid/payable to us, in any case, are not attributable to a PE in third jurisdiction, if any, which may have got constituted otherwise.
6. I/We do not have a Business Connection in India according to the provision of Section 9(1)(i) of the IT Act and the amounts paid/payable to us, in any case, are not attributable to business operations, if any, carried out in India.
7. I/We confirm that my affairs/affairs of ..... <Full name of the shareholder> were arranged such that the main purpose or the principal purpose thereof was not to obtain tax benefits available under the applicable tax treaty.
8. Further, my/our claim for relief under the tax treaty is not restricted by application of Limitation of Benefit clause, if any, thereunder.
9. I/We hereby certify that the declarations made above are true and bonafide. In case in future, any of the declarations made above undergo a change, I/we undertake to promptly intimate you in writing of the said event. You may consider the above representations as subsisting unless intimated otherwise.
10. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by me/us, I/We will be responsible to pay and indemnify such income tax demand (including interest, penalty, etc.) and provide the Company with all information / documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority.

For.....<Mention the name of the payee>

Authorised Signatory

<Name of the person signing>

<Designation of the person signing>



Jute mill located at Budge Budge



**Group  
Cheviot**

**Cheviot Company Limited**

Magma House (9th Floor)

24, Park Street, Kolkata - 700 016

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