



**Group
Cheviot**

CHEVIOT COMPANY LIMITED

CIN: L65993WB1897PLC001409

Registered & Administrative Office

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

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

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

Ref: CCL/Share/

Date: 21st July, 2020

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 – Annual Report for the year ended 31st March, 2020

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, 2020 together with Notice dated 5th June, 2020 convening the Annual General Meeting of the Company on Friday, 14th August, 2020 at 11:00 a.m. through Video Conferencing / Other Audio Visual Means ('VC / OAVM') facility, in accordance with the MCA Circulars and SEBI Circular.

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

CHEVIOT COMPANY LIMITED

Annual Report | 2019-20



For more information log on to : www.groupcheviot.net

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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.**



Over 123 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 and jute shopping bags 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 :

74.9904%

Market Capitalisation :

₹ 32,810 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.

Our Financial Growth in 2019-20

Revenue from operations grew by
16%

Export Sales grew by
15%

Interest burden reduced by
49%

Shareholders' Equity grew by
2%

Financial Ratios of 2019-20

Interest Coverage Ratio
170

Current Ratio
7.94

Debt-equity Ratio
0.09

Operating Profit Margin
11.38%

Net Profit Margin
10.51%

Return on Net Worth
10.62%

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 ₹
31-03-2011	451	26,544	26,995	30,738	1,013	2,884	42.61	398.93	8.00
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

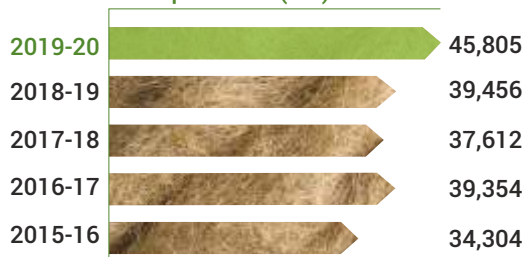
* Share capital includes amount forfeited amounting to ₹ 0.35.

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

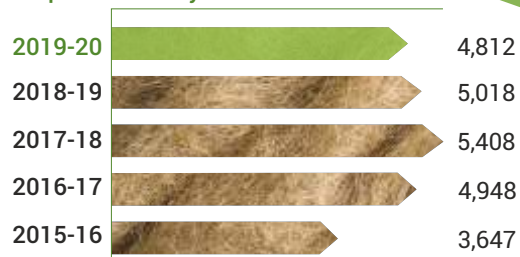
The figures from 31st March, 2017 onwards are Ind AS compliant and are not comparable with previous years.

@ Based on the share capital as at 31st March, 2020.

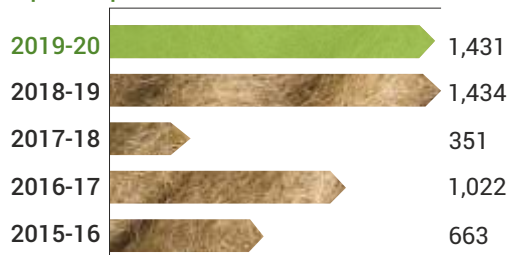
Revenue from operations (net) ₹ In Lakhs



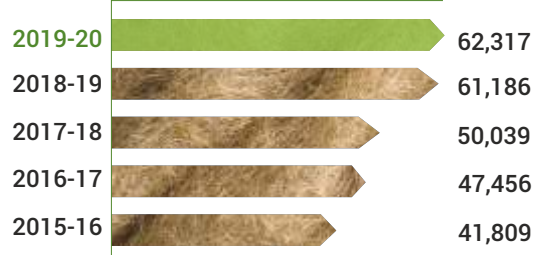
Net profit for the year ₹ In Lakhs



Capital Expenditure ₹ In Lakhs



Net Worth ₹ In Lakhs



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, the Company has undertaken various projects towards CSR which, inter-alia, includes construction of hospital building at Assam to provide healthcare facilities in the remote areas of Assam, installation of a lift at hospital run by Budge Budge Municipality, installation of Solar Power Panel at Hospital, facilitating reach of education to the rural areas by supporting schools run by Ramakrishna Sarada Mission and Lokenath Mission Vidya Niketan, empowering women through various girl child projects and promoting nationally recognised sports.

We are privileged that the Company's above initiatives have benefited several needy and deprived persons. Our efforts to revive school buildings and toilets have been acknowledged and highly appreciated by the local authorities. Students are happy and take pride in their school.

We remain committed to take the responsibility of exhibiting socially responsible corporate citizen and ensuring the well-being of the communities at large.



Glimpse of CSR activities:

1. Ms Suhana Saini, a young table tennis player with current Ranking 1 in sub-juniors (U-15) at national level, is being supported by Cheviot for her training.
2. Promoting girl child education in rural areas.
3. Hospital Building in Cachar, Silchar, Assam.
4. Installation of solar power panels on the roof of a Hospital.





Unequivocal focus on excellence and eco-friendliness

At Cheviot Company Limited, "Quality is the result of continuous improvisation, sincere efforts and skilful execution."

Offering extensive range of environmental friendly knitted jute bags at the best price sets us apart. Our diversified product range includes Fashion Jute Bags, Beach Bags, Bottle Bags, Cotton Bags, Artless Polka Collection Bags, Animal Prints Jute Bags, Promotional Jute Bags, amongst others.

The quality and finish of the jute bags manufactured by us meets with international standards. We believe that the Jute Bags, being natural bio-degradable fibre with long standing end use application should be preferred by environment conscious end users.

We have been bestowed with accreditations, awards and recognitions vindicating the value and performance of our Company.



CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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

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

MR. NAWAL KISHORE KEJRIWAL - *Wholetime Director - DIN 00060314* (Retired w.e.f. 31st May, 2020)

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

MRS. RASHMI PRASHAD - *Independent Director - DIN 00699317*

MR. SUSHIL KUMAR DHANDHANIA - *Independent Director - DIN 00181159*

MR. UTKARSH KANORIA - *Wholetime Director - DIN 06950837*

SENIOR MANAGEMENT

MR. DEBDAS MAZUMDAR

MR. DEO KISHAN MOHTA (Retired w.e.f. 31st December, 2019)

CHIEF FINANCIAL OFFICER

MR. MADHUP KUMAR PATNI

COMPANY SECRETARY

MR. ADITYA BANERJEE

REGISTERED OFFICE

24, PARK STREET

MAGMA HOUSE, (9TH FLOOR)

KOLKATA - 700 016

PHONE : +91 82320 87911/12/13

FAX : 033-2249 7269 / 2217 2488

E-MAIL : cheviot@chevjute.com

WEBSITE : www.groupcheviot.net

CIN : L65993WB1897PLC001409

PLANTS LOCATION

BUDGE-BUDGE UNIT :

19, MEHTA ROAD, BADEKALINAGAR

BUDGE-BUDGE, 24-PARGANAS (SOUTH) - 700 137

WEST BENGAL

FALTA UNIT :

SECTOR II, FALTA SPECIAL ECONOMIC ZONE

FALTA, 24-PARGANAS (SOUTH) - 743 504

WEST BENGAL

STATUTORY AUDITORS

SINGHI & CO.

Chartered Accountants

BANKERS

AXIS BANK LIMITED

CITIBANK N.A.

STATE BANK OF INDIA

REGISTRAR AND SHARE TRANSFER AGENT

MAHESHWARI DATAMATICS PRIVATE LIMITED

23, R. N. MUKHERJEE ROAD (5TH FLOOR)

KOLKATA - 700 001

PHONE : 033-2248 2248 / 2243 5029

FAX : 033-2248 4787

E-MAIL : mdpldc@yahoo.com

NOTICE

TO THE MEMBERS

NOTICE is hereby given that the Annual General Meeting (AGM) of the Members of Cheviot Company Limited will be held on **Friday, 14th August, 2020 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, 2020 and the reports of the Board of directors and auditors thereon.
2. To confirm the payment of special interim dividend on ordinary shares for the financial year ended 31st March, 2020.
3. To appoint a director in place of Mrs. Malati Kanoria (holding DIN 00253241), who retires by rotation and, being eligible, offers herself for re-appointment.

Special Business :

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Company be and is hereby granted to the re-appointment of Mr. Harsh Vardhan Kanoria (Mr. H.V. 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, on the terms and conditions as to remuneration and otherwise as set out, in the statement annexed to this notice, to be entered by way of an agreement between the Company and Mr. H.V. Kanoria.

FURTHER RESOLVED THAT in the event of absence or inadequacy of profits in any financial year during the aforesaid period of 5 (five) years, the Company will pay to Mr. H.V. Kanoria remuneration by way of salary and perquisites not exceeding the ceiling laid down in Section II of Part II of Schedule V to the Act or any modification(s) or re-enactment thereof as minimum remuneration, subject to such approvals as may be required."

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), who has been appointed by the Board of directors of the Company as cost auditor to conduct an audit of the cost accounting records maintained by the Company for the financial year ending 31st March, 2021 be and is hereby ratified."

Kolkata, 5th June, 2020
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: cheviot@chevjute.com Website: www.groupcheviot.net

By Order of the Board,
For **CHEVIOT COMPANY LIMITED**

Aditya Banerjee
Company Secretary
ACS 34468

NOTICE *(Contd.)*

NOTES:

- The Register of Members and the Share Transfer Register of the Company will remain closed from Saturday, 8th August, 2020 to Friday, 14th August, 2020 (both days inclusive).**
- In view of the massive outbreak of the COVID-19 pandemic and to follow the social distancing norms and pursuant to the Circular No. 20/2020 dated May 05, 2020 read with Circular No. 14/2020 dated April 08, 2020 and Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs (collectively referred to as "MCA Circulars"), AGM shall be conducted through VC/OAVM without the physical presence of the members at a common venue. 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 the MCA Circulars, the facility to appoint proxies by the members will not be available for this AGM and hence the Proxy Form and Attendance Slip 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 can join the AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM 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 large shareholders (holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the chairpersons of the audit committee, nomination and remuneration committee and stakeholders' relationship committee, auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- The attendance of 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.
- In line with MCA Circulars, the Notice calling the AGM has been uploaded on the website of the Company at www.groupcheviot.net. The Notice can also be accessed from the website of BSE Limited (stock exchange) at www.bseindia.com and on the website of National Securities Depository Limited (NSDL) (agency for providing the e-Voting facility) at www.evoting.nsdl.com.
- Unpaid / unclaimed dividend for the financial year ended 31st March, 2013 and the corresponding 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 September, 2020. Members are requested to claim their dividend, details of which are available on the website of the Company (www.groupcheviot.net), as also on the website of Ministry of Corporate Affairs, before transfer to IEPF. The 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.
- Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, accordingly, requested to submit their PAN to the Depository Participant. 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 : <http://mdpl.in/form/pan-update/>.
- Members desirous of getting any information about the financial statements and/or operations of the Company are requested to address their queries to the Company at least 10 (Ten) days in advance of the AGM i.e. by 4th August, 2020, so that proper information can be made available at the AGM.
- 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. 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, e-mail ID, nomination, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS) mandates etc. to their respective Depository Participants (DPs), if they have not done so already. Members holding the Company's shares in physical form are requested to intimate such changes to the Company's Registrar and Share Transfer Agent, M/s Maheshwari Datamatics Private Limited.
12. Members who are yet to provide required particulars for the purpose of maintaining records in the new format of Register of Members pursuant to Section 88 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 are requested to intimate following information to the Company's Registrar and Share Transfer Agent, M/s Maheshwari Datamatics Private Limited as may be applicable for respective members:
- I. E-mail ID; II. Permanent Account Number (PAN) or Corporate Identification Number (CIN); III. Father's/ Mother's/Spouse Name; IV. Unique Identification Number (Aadhar No.); V. Occupation; VI. Status; VII. Nationality; VIII. In case member is a minor, name of guardian and date of birth of minor member; IX. Name and address of nominee (in Form SH-13).
13. Details of directors seeking re-appointment :

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

Information as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings are provided as under:

Mrs. M. Kanoria, aged 63 years, is an arts graduate. She is a director of the Company from 9th May, 2014. Mrs. M. Kanoria is on the Board of several companies. She is the Chairperson of CSR Committee. The Company will be benefitted by her rich experience and knowledge. Except Mr. Utkarsh Kanoria (son) and Mr. Harsh Vardhan Kanoria (spouse), none of the other directors on the Board is related to Mrs. M. Kanoria. Mrs. M. Kanoria does not hold directorship and / or membership of committee of the Board in any other listed company. Mrs. M. Kanoria attended 5 (five) Board Meetings of the Company held during the financial year 2019-2020. Mrs. M. Kanoria holds 3,98,776 ordinary shares of the Company. Mrs. M. Kanoria will be entitled to receive sitting fees and commission as may be decided by the Board.

Name of other companies in which Mrs. M. Kanoria also holds the directorship: 1. Cheviot International Limited; 2. Cheviot Agro Industries Private Limited; 3. Harsh Investments Private Limited and 4. Elite (India) Private Limited.

Name of other companies in which Mrs. M. Kanoria also holds membership of the Committee of the Board: 1. Harsh Investments Private Limited (Chairperson of CSR Committee).

- (b) Mr. Harsh Vardhan Kanoria (Mr. H.V. Kanoria) (holding DIN 00060259) is a director of the Company from 1st April, 1981 and holding the position of Chairman and Managing Director of the Company since 1st August, 2000. His existing term of appointment will expire on 31st July, 2020. The Board of directors, on the recommendation of nomination and remuneration committee, have re-appointed him for a further period of 5 (five) years with effect from 1st August, 2020, subject to approval of the members.

Information as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings are provided as under:

Mr. H.V. Kanoria, aged 64 years, is a commerce graduate from St. Xavier's College, Kolkata. He is an Industrialist having vast experience of 46 years. He has an in-depth knowledge of the operations of jute industry. Mr. H.V. Kanoria has shown exemplary decisiveness and leadership skills to achieve steady growth and profitability over the years. Except Mr. Utkarsh Kanoria (son) and Mrs. Malati Kanoria (spouse), none of the other directors on the Board is related to Mr. H.V. Kanoria. Mr. H.V. Kanoria is an independent director on the Board of Jay Shree Tea and Industries Limited and a member of the nomination and remuneration committee of Jay Shree Tea and Industries Limited. Mr. H.V. Kanoria attended 6 (six) Board Meetings of the Company held during the financial year 2019-2020. Mr. H.V. Kanoria holds 4,80,853 ordinary shares of the Company. The terms of re-appointment as to remuneration and otherwise are set out in the statement pursuant to Section 102 of the Companies Act, 2013 annexed to this notice.

NOTICE (Contd.)

14. Voting through electronic means :

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013, the Rules framed thereunder, Secretarial Standard, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020, 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 service will be provided by NSDL.
- II. The remote e-Voting period shall commence on Monday, 10th August, 2020 at 10:00 a.m. and end on Thursday, 13th August, 2020 at 5:00 p.m. During this period, members of the Company holding share either in physical form or in dematerialised form as on the cut-off date, Friday, 7th August, 2020, 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.
- III. 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: Login to NSDL's e-Voting website at <https://www.evoting.nsdl.com/>

How to Login to the NSDL e-Voting website?

1. Visit the e-Voting website of NSDL by opening your web browser and type the following URL either on a desktop computer/laptop or on a mobile: <https://www.evoting.nsdl.com/>
2. Once the homepage of the e-Voting website is launched, click on the icon, 'Login', which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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.
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 – 113123, followed by Folio Number registered with the Company For example, if your Folio Number is 001*** then your User ID is 113123001***

5. Your Password details are given below:
 - a. If you are already registered for e-Voting, then you can use your existing Password to Login and cast your vote.
 - b. If you are using the NSDL e-Voting website for the first time, you will need to use the 'initial password' which was communicated to you. You need to enter the 'initial password' and change your password, as prompted by the system.

NOTICE (Contd.)

- c. How to retrieve your 'initial password'?
 - i) 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 file. The password to open the file is your 8 digit client ID for your NSDL account or the last 8 digits of your CDSL client ID or Folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii) If your e-mail ID is not registered, then please follow the steps as mentioned below at Sl. No. 14(IV).
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 mode: '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 mentioning your demat account number/folio number, your PAN, your name and your registered email address.
7. After entering your password, agree to the terms and conditions by selecting on the check box.
8. Next, click on the '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 on the NSDL e-Voting website?

1. After successful Login, by following Step 1, you will be able to see the e-Voting homepage. Click on 'e-Voting'. Then, click on 'Active Voting Cycles'.
2. Upon clicking on 'Active Voting Cycles', you will be able to see the 'EVEN' of all the companies in which you hold shares and whose voting cycles are in 'active' status.
3. Select the 'EVEN' of the Company for which you wish to cast your vote.
4. Now you are on the voting page and ready for e-Voting.
5. 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.
6. Upon confirmation, the message, 'Vote cast successfully' will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. 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. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to investorservices@chevjute.com with a copy marked to 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 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 to reset the Password.

NOTICE (Contd.)

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 Remote E-voting User Manual for Shareholders available under the Downloads section of NSDL's e-Voting website or contact Mr. Amit Vishal, Senior Manager / Ms. Pallavi Mhatre, Manager, NSDL, Trade World, "A" Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai 400 013 at telephone no. 022 – 24994360 / 022 – 24994545 or toll free no. 1800–222–990 or at email ID: evoting@nsdl.co.in.
- IV. **Instruction for members to register their email addresses with the Company / Depositories, for receiving 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 mode and who have not registered their email address with the Company can get the same registered through the web link : <http://mdpl.in/form/email-update>. Members are requested to provide Folio No., name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN/AADHAR 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 or investorservices@chevjute.com.
 2. Members holding shares in the dematerialised mode and who have not registered their email address are requested to register / update their email address with their respective Depository Participant(s).
 3. Alternately, members may send an email request to evoting@nsdl.co.in for obtaining User ID and Password by providing the details mentioned above.
- V. **Instructions for members for e-Voting on the day of the AGM are as under :**
1. The procedure for e-Voting on the day of 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 e-Voting website at 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.
- VI. 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, 7th August, 2020.
- VII. 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, 7th August, 2020, may obtain the User ID and Password by sending a request at evoting@nsdl.co.in.
- However, if you are already registered with NSDL for remote e-Voting then you can use your existing User ID and Password to cast your vote.
- VIII. 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, 7th August, 2020 shall only be entitled to attend and vote at the AGM.
- IX. 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.
- X. The Scrutinizer shall, after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and then unblock the votes cast through remote e-Voting and shall make, a consolidated Scrutinizer's Report. The results of the e-Voting will be declared by the Chairman or a person authorised by him in writing within 48 hours from the conclusion of the AGM.
- XI. The results declared alongwith the Scrutinizer's Report shall be placed on the website of the Company (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.

NOTICE *(Contd.)*

15. Instructions for members for attending the AGM through VC/OAVM are as under :

- (a) Members will be able to attend the AGM through VC/OAVM by using their remote e-Voting login credentials and selecting the EVEN on the NSDL e-Voting website (<https://www.evoting.nsdl.com>) under shareholders/members login. Please note that the 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 e-Voting website of NSDL.
 - (b) Members are requested to join the AGM using Laptop for better experience.
 - (c) Members will be required to allow camera and use Internet with a good speed to avoid any disturbance during the AGM.
 - (d) Please note that members connecting from Mobile Devices or Tablets or through Laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of glitches.
 - (e) Members who would like to express their views or ask questions during the AGM may 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. Those shareholders who have registered themselves as a speaker latest by 4:00 P.M. on 12th August, 2020 will only be allowed to express their views or ask questions during the AGM.
16. In terms of Sections 101 and 136 of the Companies Act, 2013 read with relevant Rules made thereunder and MCA Circular No. 20/2020 dated May 05, 2020, the Annual Report for the financial year ended 31st March, 2020, comprising of Board's Report, Independent Auditors' Report, Financial Statements, etc. alongwith this Notice, is being sent by electronic mode only to those members who have registered their email IDs with their respective depository participant(s) or with the registrar and share transfer agent of the Company. Members may also note that the AGM Notice, inter-alia, indicating the process and manner of e-Voting and participating at AGM through VC/OAVM and the Annual Report for the financial year ended 31st March, 2020 are available on the Company's website (www.groupcheviot.net).
17. All documents referred to in the accompanying notice and the statement annexed thereto shall be made available for inspection through electronic mode, basis on the request being sent at investorservices@chevjute.com.
18. The scanned copies of Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts and 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.
19. 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.
20. The statement pursuant to Section 102 of the Companies Act, 2013, relating to the special business set out in this notice, is annexed hereto.

NOTICE *(Contd.)*

STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4.

Mr. Harsh Vardhan Kanoria (Mr. H.V. Kanoria) (holding DIN 00060259), aged 64 years, is an Industrialist having 46 years of experience in Jute Industry. He has been long associated with the Company in his capacity as Chairman and Managing Director.

The present term of office of Mr. H.V. Kanoria will expire on 31st July, 2020. In view of his vast experience and significant contribution to the Company's overall growth and profitability, the Board of directors, on the recommendation of nomination and remuneration committee, have re-appointed Mr. H.V. Kanoria as Chairman and Managing Director for a further period of 5 (five) years with effect from 1st August, 2020 on the terms and conditions mentioned in the draft agreement to be entered between the Company and Mr. H.V. Kanoria, subject to approval of the members. The Board is of a considered view that the Company will be benefitted by his management abilities.

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

1. Salary: ₹ 2,00,000/- per month in the range of ₹ 2,00,000/- to ₹ 3,00,000/- per month as may be determined by the Board from time to time.
2. Commission: Commission may be payable at the absolute discretion of the Board, of such amount, as may be approved by the Board for each year.
3. Perquisites: Mr. H.V. Kanoria will also be entitled to furnished residential accommodation or house rent allowance, furnishing allowance, gas, electricity, reimbursement of medical expenses incurred in India or abroad including hospitalisation, surgical charges, for self and family and travel relating thereto, leave travel concession for self and family, fees of clubs, personal accident insurance, Company maintained car, telephone at residence and any other perquisite in addition to salary and commission restricted to an amount equal to the annual salary or such other sum as may be determined by the Board from time to time. Provision for use of Company car for official purpose and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculation of the said ceiling. Perquisites shall be evaluated as per Income Tax Rules, wherever applicable. The remuneration mentioned above including the value of perquisites will be subject to the overall ceiling laid down under Section 197 of the Companies Act, 2013 (the Act) read with Schedule V thereto.
4. Mr. H.V. Kanoria will also be entitled to the following perquisites :
 - (a) The Company's contribution towards Provident Fund as per the Rules of the Company;
 - (b) Gratuity not exceeding one-half month's salary for each completed year of service;
 - (c) Leave on full pay and allowance as per the Rules of the Company but not exceeding one month's leave for every eleven months of service.
5. Mr. H.V. Kanoria shall not be paid any sitting fee for attending the meeting of the Board or any Committee thereof.
6. In the event that the Company in any financial year during the aforesaid period, has no profits or its profits are inadequate, the remuneration payable to Mr. H.V. Kanoria shall not exceed the limits specified in Section II of Part II of Schedule V to the Act or any modification(s) or re-enactment thereof as minimum remuneration, subject to such approvals as may be required.
7. Mr. H.V. Kanoria will be reimbursed by the Company of all entertainment and other expenses actually incurred by him in connection with the business of the Company, subject however, to such limits as may be fixed by the Board from time to time.
8. Mr. H.V. Kanoria and the Company shall have right to terminate the appointment by giving three months' prior notice in writing to the other.

NOTICE (Contd.)

Name of other companies in which Mr. H.V. Kanoria also holds the directorship: 1. Jay Shree Tea and Industries Limited; 2. Cheviot Agro Industries Private Limited; 3. Harsh Investments Private Limited and 4. Elite (India) Private Limited.

Name of other companies in which Mr. H. V. Kanoria also holds membership of the Committee of the Board: Jay Shree Tea and Industries Limited (Member of nomination and remuneration committee).

The aggregate annual remuneration payable to all executive directors who are promoters or members of the promoter group is expected to exceed 5 (five) per cent of the net profits of the Company (calculated as per Section 198 of the Act) albeit the maximum managerial remuneration payable to such executive directors shall be subject to the overall ceiling laid down under Section 197 of the Act read with Schedule V thereto, as per the terms and conditions as to remuneration and otherwise, as approved by the members.

Accordingly, pursuant to Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members is hereby obtained by way of special resolution in general meeting to pay the aggregate annual remuneration to Mr. H.V. Kanoria as set out hereinabove during his current term of 5 (five) years with effect from 1st August, 2020.

Brief details of Mr. H.V. Kanoria seeking re-appointment and information as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings have been disclosed above at Sl. No. 13(b) of this notice.

A copy of the draft agreement referred to in the proposed Special Resolution is available for inspection through electronic mode, basis on the request being sent at investorservices@chevjute.com.

Except Mr. Harsh Vardhan Kanoria, Mrs. Malati Kanoria and Mr. Utkarsh Kanoria, 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 Special 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 re-appointed M/s D. Radhakrishnan & Co., Cost Accountants (Registration No. 000018), being eligible and having sought re-appointment, as cost auditor of the Company, for a remuneration of ₹ 40,000/- (Rupees Forty Thousand only) plus applicable taxes and re-imbursalment of out of pocket expenses incurred by them to conduct an audit of the cost accounting records maintained by the Company for the current financial year beginning from 1st April, 2020 and ending on 31st March, 2021 as required in terms of the Companies (Cost Records and Audit) Rules, 2014, as amended.

In terms of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the aforesaid remuneration is required to be ratified by the members.

None of the directors and/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.

Kolkata, 5th June, 2020

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

By Order of the Board,
For **CHEVIOT COMPANY LIMITED**

Aditya Banerjee

Company Secretary

ACS 34468

BOARD'S REPORT

Dear Members,

(₹ in Lakhs)

Your directors are pleased to present their report on the business and operations of the Company together with the Audited Standalone Financial Statements for the financial year ended 31st March, 2020.

1. FINANCIAL SUMMARY

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Revenue from operations	45,804.59	39,455.96
Operating profit after depreciation and amortisation	5,213.09	4,945.41
Add: Other income	971.61	2,211.43
Profit before tax	6,184.70	7,156.84
Tax expense	1,372.58	2,139.04
Profit for the year	4,812.12	5,017.80

2. DIVIDEND

During the year, Board of directors have declared special interim dividend of ₹ 48/- per ordinary share on 64,66,875 ordinary shares of face value of ₹ 10/- each, aggregating to ₹ 3,104.10 (P.Y. ₹ 1/- per ordinary share was declared as final dividend). The special interim dividend was paid on and from 2nd March, 2020. Having declared the special interim dividend, the Board do not recommend any final dividend for the financial year ended 31st March, 2020.

3. TRANSFER TO GENERAL RESERVE

The Board of directors have decided to keep the net profit for financial year ended 31st March, 2020 in the retained earnings.

4. OPERATIONS AND STATE OF COMPANY'S AFFAIRS

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, 2020	For the year ended 31st March, 2019
Revenue from operations	45,804.59	39,455.96
Export sales (C.I.F. value)	16,152.23	13,991.62
Operating profit	5,213.09	4,945.41
Other income	971.61	2,211.43
Profit before tax	6,184.70	7,156.84
Tax expense	1,372.58	2,139.04
Profit after tax	4,812.12	5,017.80
Earnings per share (EPS) of face value of ₹ 10 (In ₹)	74.41	77.59

During the year under review, your Company achieved higher operating profit compared to previous year through increase in sale volume and better operational efficiency although the manufacturing units were shutdown from 23rd March, 2020 in view of the nationwide lockdown declared by the Government to prevent the outbreak of novel coronavirus (COVID-19) in India.

The plunge in other income was largely attributable to lower yields on debt instruments and negative returns on capital market investments in view of panic caused by COVID-19 pandemic. These instruments are measured on fair value basis as per IND AS 109.

The Company decided to opt for concessional rate of taxation as per the provisions of Section 115BAA of the Income Tax Act, 1961 made effective from financial year 2019-2020 which resulted in a lower tax outflow compared to previous year.

BOARD'S REPORT *(Contd.)*

(₹ in Lakhs)

5. MANAGEMENT DISCUSSION AND ANALYSIS

a) Industry structure and developments

Jute textiles are covered under the Essential Commodities Act, 1955 as it is predominantly used for packaging of food grains which are essential commodities. In spite of the above, Jute Industry was not allowed to operate by the concerned Government authority in their efforts to control the spread of novel coronavirus (COVID-19).

One of the major factors going against the Jute Industry in not allowing to operate during lockdown was the huge workforce and most of them not residing in company's labour colony.

In view of the upcoming crops and harvesting, the Government of India has diluted the norms for packaging of food grains in jute bags and instead permitted the use of plastic bags (HDPE woven sacks). Precisely, Jute Industry has lost the market share on production of jute bags for packaging of food grains. The Jute Industry can only hope to regain the market in future when operations become stable.

The unit operated at low capacity at uneconomic levels during May 2020 as per Government of West Bengal guidelines and has been recently permitted to operate at full capacity.

The Company is in the value added export segment and tried the best to retain the Export Markets in view of COVID-19 effect on deliveries. The Company was unable to meet its commitments due to lockdown and reduced capacity working.

Raw Jute consumption was affected due to COVID-19 lockdown. The prices of raw jute have also reduced. Jute crop for the new season seems to be reasonable and availability does not appear to be a challenge in view of low utilisation by the Jute Industry at present.

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 affect anytime.
- Foodgrains market have shifted to plastics and it will be a challenge to get it back in favour of Jute.
- Issue of wages for lockdown period is before the Hon'ble Supreme Court of India. Wages is a major component of our costs.

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 2020			For the year ended 31st March 2019		
	India	Overseas	Total	India	Overseas	Total
Revenue	28,472.67	16,152.23	44,624.90	24,320.38	13,991.62	38,312.00
Non-current assets other than financial instruments *	24,938.89	-	24,938.89	23,482.35	-	23,482.35

* 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.

BOARD'S REPORT (Contd.)

(₹ in Lakhs)

d) Outlook

In this challenging time, it is our duty to appraise you with true situation. Heavy losses have already been incurred in the current year and still continuing. COVID 19 is still a threat to us. Situation is still uncertain and we cannot predict. We have borne severe damage to our factory buildings at the Budge Budge unit due to cyclone AMPHAN on 20th May, 2020. It will take us time to commission full unit. The factory situated at Budge Budge is presently under suspension of work from 27th May 2020. We are saddled with several issues at this time and to be honest situation ahead looks tough for the current year.

e) Risks and concerns

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

- Availability of Raw Jute: The jute crop can highly fluctuate depending on area under cultivation and weather conditions. The Company procures raw jute in planned manner from various locations and gradually built up inventory to mitigate this risk.
- Shortage of workers: To overcome this issue, measures are being taken to provide a healthy working environment with proper amenities inside the factory. New generation workers are being developed with adequate in-house training. Workers are also incentivised from time to time.
- Revenue concentration: The Jute Industry is mostly dependent on government procurement orders for packaging of food grains. Efforts are being made to create diversified jute products to increase the customer base.
- Alternate packaging materials – The availability of alternate packaging materials at cheaper rate had always been detrimental to the growth of Jute Industry. Steps are being taken to bring down the cost of production through modernisation.

f) Internal control systems and their adequacy

The Company has adequate internal control systems commensurate with the size and the nature of operations. The Board of directors have designed the internal control systems to provide reasonable assurance with regard to recording and generating reliable financial and operational information, protecting assets from unauthorised use or losses, executing financial transactions with proper authorisation and ensuring compliance with corporate policies and applicable laws. The entire procedure covering all financial and operating functions are documented and audited by the auditors.

The audit committee periodically reviews the internal audit report and the Company's policies and procedures to ensure that internal control systems are operating effectively. During the year under review, the Statutory Auditors and Internal Auditors of the Company had reviewed the laid down policies and procedures for prevention and detection of frauds and errors in the conduct of business. No fraud was detected by the auditors.

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, 2020	For the year ended 31st March, 2019	% Increase / (Decrease)
Revenue from operations	45,804.59	39,455.96	16.09%
CIF value of Export Sales	16,152.23	13,991.62	15.44%
Finance cost	36.70	72.21	(49.18%)
Inventories	8,160.03	8,033.29	1.58%
Fixed assets inclusive of capital advances	1,431.07	1,433.66	(0.18)%

Revenue from operations have improved substantially and the Company has been able to achieve better capacity utilisation. Export sales had increased significantly during the year under review. There had been a substantial fall in other income due to lower interest rate regime and fall in value of investments due to panic in markets caused by COVID-19 pandemic.

BOARD'S REPORT (Contd.)

(₹ in Lakhs)

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

Industrial relations remained harmonious during the year under review. There is shortage of new entrants in the Jute Industry. Besides, there has been high rate of worker absenteeism owing to migration. The Company is working on all possible measures to overcome the issue of availability of skilled workers.

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, 2020, there were 4,201 employees on the roll of the Company.

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 therefor :

	For the year ended 31st March 2020	For the year ended 31st March, 2019	% Change
Interest Coverage Ratio	169.52	100.11	69.33%

The interest expenses has reduced mainly due to less utilisation of working capital credit facilities during the year under review.

Except interest coverage ratio, 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, inventory turnover, current ratio, debt-equity ratio, operating profit margin and net 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.

	For the year ended 31st March 2020	For the year ended 31st March, 2019
Return on Net Worth	10.62%	12.00%

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

k) Cautionary statement

Statements made in this section of the report on future expectation, performance and outlook are based on the current perception of the Board. Actual results may differ from those expressed in the statements.

6. SHARE CAPITAL

The Company has one class of share i.e. ordinary share of face value of ₹ 10/- each. There was no change in the share capital of the Company during the year under review. The issued, subscribed and fully paid up ordinary share capital of the Company as at 31st March, 2020 stood at ₹ 646.69 consisting of 64,66,875 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 year 2020 – 2021 to BSE Limited.

7. CORPORATE GOVERNANCE

In terms of Regulation 34(3) of the SEBI (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.

8. EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in the prescribed format (Form MGT-9) is annexed hereto as **Annexure-II** forming part of this report. The annual return would be available on the website of the Company (<http://www.groupcheviot.net/investors-jute/corporate-governance-jute/>).

BOARD'S REPORT *(Contd.)*

(₹ in Lakhs)

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 statement for the financial year ended 31st March, 2020. The Company has not given any loan 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. 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 SEBI (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 shareholders. Therefore, disclosure in Form AOC-2 is not required.

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.

12. 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(3) of the Companies (Accounts) Rules, 2014, is provided in **Annexure-III** forming part of this report.

13. CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year, your Company has spent ₹ 118.03 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-IV** forming part of this report.

The Corporate Social Responsibility Policy of the Company as adopted by the Board is available on Company's website (<http://www.groupcheviot.net/investors-jute/corporate-governance-jute/>). More information on CSR Committee is given in the report on corporate governance.

14. ANNUAL PERFORMANCE EVALUATION

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

BOARD'S REPORT *(Contd.)*

15. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the employees and directors to report their grievances / concerns 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 (<http://www.groupcheviot.net/investors-jute/corporate-governance-jute/>).

16. DIRECTORS

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

The existing term of appointment of Mr. Harsh Vardhan Kanoria (Mr. H.V. Kanoria) (holding DIN 00060259) is expiring on 31st July, 2020. The Board of directors at their meeting held on 5th June, 2020 have re-appointed Mr. H.V. Kanoria as Chairman and Managing Director, Chief Executive Officer of the Company for a period of five years with effect from 1st August, 2020 subject to approval of the members at the forthcoming annual general meeting.

Mr. Nawal Kishore Kejriwal (DIN 00060314), who has attained the age of 77 years, has retired from the Board of directors on completion of his term of office on 31st May, 2020. The Board of directors places on record its appreciation to the services rendered by Mr. Nawal Kishore Kejriwal during his long association with the Company.

The information about the directors seeking re-appointment as required by Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 on General Meetings have been given in the Notice convening the ensuing annual general meeting.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the independent directors have registered themselves on Independent Directors Databank.

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

In compliance with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the nomination and remuneration committee (NRC) 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 determining 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: (<http://www.groupcheviot.net/investors-jute/corporate-governance-jute/>).

18. AWARDS & RECOGNITION

Your Company is a proud recipient of two prestigious awards, Silver Export Award 2017-18 for Conventional Jute Products and Silver Export Award 2017-18 for Jute Diversified Products from the Ministry of Textiles, Government of India.

19. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has an 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.

BOARD'S REPORT *(Contd.)*

20. 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.

21. NUMBER OF MEETINGS OF THE BOARD

The Board of directors met 6 (six) times during the year under review. More details are available in the report on corporate governance.

22. COMPOSITION OF AUDIT COMMITTEE

The Board has 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.

23. KEY MANAGERIAL PERSONNEL / SENIOR MANAGERIAL PERSONNEL

During the year under review, the following key managerial personnel / senior managerial personnel retired from the services of the Company :

- a) Mr. Nawal Kishore Kejriwal (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.
- b) Mr. Deo Kishan Mohta (aged 67 years), President (corporate affairs) of the Company, retired from the services of the Company at the close of business on 31st December, 2019.

All the other Key Managerial Personnel continued to hold their offices.

24. PARTICULARS OF EMPLOYEES

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

The details of employees prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of the Annual Report. However, with regard to the provisions of the second proviso to Section 136(1) of the Act, 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.

BOARD'S REPORT *(Contd.)*

25. PUBLIC DEPOSITS

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

26. 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.

27. DISCLOSURE

Following disclosures are made under the Companies (Accounts) Rules, 2014 :

- (i) The financial summary or highlights are discussed at the beginning of this report;
- (ii) There is no change in the nature of business;
- (iii) There is no company which has become or ceased to be the Company's subsidiary, joint venture or associate company during the year;
- (iv) No significant and/or material order was passed by the regulators or courts or tribunals which impact the going concern status and its future operations.

28. 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 outbreak of novel coronavirus (COVID-19) in India has witnessed a sudden halt in operations across the nation. As per Government directives, both the manufacturing units of the Company situated at Budge Budge and Falta SEZ in the state of West Bengal were temporarily shut down from 23rd March, 2020. Jute Mill situated at Budge Budge was under complete lockdown from 23-Mar-2020 to 2-May-2020. The Jute Mill gradually resumed operations based on the permission granted by Government of West Bengal strictly adhering to the social distancing norms and hygiene measures.

Notice for suspension of work at the Jute Mill situated at Budge Budge, West Bengal was issued on 27th May, 2020 in view of the breach of Covid SOP's. Staggered tiffin breaks were not followed in night shift by the workers.

Cyclone "Amphan" hit West Bengal on Wednesday, 20th May, 2020 and caused severe damage to the Company's factory buildings and factory sheds particularly on the roofs/sheets and even on the supporting trusses and structures. The Company has lodged for insurance claim. The restoration work is estimated to take several months. Production will be affected for a period which cannot be ascertained at this stage. Operations can resume only partially in present condition.

The dual effect of COVID-19 pandemic and cyclone have posed a major challenge on the business operations in near future.

In view of the above factors, we are unable to meet to our order commitments and incurring heavy losses between the end of the financial year to which the financial statements relate and the date of this report.

29. BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Business Responsibility Report of the Company for the financial year ended on 31st March, 2020, describing the initiatives taken by the Company from an environmental, social and governance perspective, in the prescribed format is enclosed as **Annexure VI** to this report.

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.

BOARD'S REPORT *(Contd.)*

(₹ in Lakhs)

Accordingly, the Company had made online remittance of ₹ 11.27 lying in the unpaid dividend account for the financial year 2011-12 to the bank account of IEPF Authority on 3rd September, 2019. Further, 4,960 ordinary shares were transferred to the IEPF Authority during the year. Due to certain technical error, filing of Form IEPF-1 and Form IEPF-4 along with investor-wise details could not be completed. The Company has reported the matter to the IEPF Authority for early resolution. The details of unpaid dividend and shares transferred to the IEPF Authority are available at the following web link : (<http://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, adverse remark or disclaimer given by the Statutory Auditors in their report for the financial year ended 31st March, 2020 other than the unresolved issue with IEPF Authority which has already been discussed in this report. Pursuant to the provisions of Section 143(12) of the Companies Act, 2013, the Statutory Auditors have not reported any incident of fraud to the audit committee during the year under review.

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.

The Board of directors have re-appointed M/s D. Radhakrishnan & Co., Cost Accountants (Registration No. 000018), as Cost Auditors for the financial year 2020-2021 to conduct the audit of the cost accounting records maintained by the Company pursuant to Section 148 of the Companies Act, 2013 read with Rules framed thereunder. The resolution included at Item No. 5 of the Notice convening the annual general meeting seek 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 March 31, 2019 was filed by the Company in XBRL mode on 16th December, 2019.

33. SECRETARIAL AUDIT

The Board of directors have appointed M/s MR & Associates, a firm of practicing 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The report of the Secretarial Auditor in Form MR-3 is enclosed as **Annexure VII** to this report. The Secretarial Auditors' Report for the financial year 2019-20 does not contain any qualification, reservation or adverse remarks other than the unresolved issue with IEPF Authority which has already been discussed in this report.

Further, the Company has received the Annual Compliance Report for the year ended 31st March, 2020 regarding compliance of all applicable SEBI Regulations and circulars/guidelines issued thereunder from M/s MR & Associates, a firm of practicing company secretaries.

34. ACKNOWLEDGEMENTS

Your directors wish to express their sincere gratitude towards the financial institutions, banks, government authorities, regulatory authorities, customers, vendors and members for their continued support and co-operation. Your directors also convey their appreciation for the dedication and commitment displayed by the employees at all levels.

For and on behalf of the Board

CHEVIOT COMPANY LIMITED

Harsh Vardhan Kanoria

Chairman and Managing Director,

Chief Executive Officer

DIN : 00060259

Kolkata, 5th June, 2020

ANNEXURE I TO THE BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

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

1. Company's philosophy on Code of Governance

The Company's philosophy on corporate governance aims at attainment of complete transparency and accountability in its operations through integrity, decisiveness and robust control mechanism. Your Company believes in conducting its affairs in fair and ethical manner to achieve sustained growth and enhanced value for all stakeholders. Your Company remains committed to accomplish customer satisfaction by adhering to high standards of product quality.

2. Board of Directors

a) Composition and category of directors

The composition of the Board of directors is in conformity with Section 149 of the Companies Act, 2013 and Listing Regulations. Mrs. Rashmi Prashad (DIN 00699317) was appointed as an Independent Director w.e.f. 1st April, 2019. Mr. Nawal Kishore Kejriwal (DIN 00060314), who has attained the age of 77 years, has retired from the Board of directors on completion of his term of office on 31st May, 2020. Accordingly, the Board of directors of the Company consist of 7 (seven) directors, of whom, 3 (three) directors belong to the promoter group and 4 (four) directors belong to the non-promoter group. Present Board of directors comprises of 2 (two) executive directors, 1 (one) non-executive non-independent director (woman) and four independent directors (including one woman independent director).

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 2020

Name of the Directors	Position [Refer abbreviations below]	Attendance Particulars		No. of other directorships and other Board committee membership(s)/chairmanship(s) held		
		At Board Meeting(s)	At Last AGM held on 24th July, 2019	Other Directorship(s) ^	Committee Membership(s) *	Committee Chairmanship(s) *
Mr. Harsh Vardhan Kanoria	CMD, CEO [P]	6	Yes	4	Nil	Nil
Mrs. Malati Kanoria	NED [P] [W]	5	Yes	4	Nil	Nil
Mr. Navin Nayar	ID NED	5	Yes	11	3	1
Mr. Nawal Kishore Kejriwal [§]	WTD	6	Yes	1	Nil	Nil
Mr. Padam Kumar Khaitan	ID NED	5	Yes	8	2	1
Mrs. Rashmi Prashad	ID NED [W]	5	Yes	2	Nil	Nil
Mr. Sushil Kumar Dhandhanania	ID NED	6	Yes	17	Nil	Nil
Mr. Utkarsh Kanoria	WTD [P]	6	Yes	2	Nil	Nil

[§] Retired on completion of his term of office on 31st May, 2020.

[^] Includes directorship in private limited companies and foreign companies. None of the directors is holding directorship in more than seven listed companies.

^{*} 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.

Abbreviations :

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

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

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

Name of the Directors	Names of other listed entities where the person is a director	Category of Directorship [Refer abbreviations below]
Mr. Harsh Vardhan Kanoria	1. Jay Shree Tea and Industries Limited	ID NED
Mrs. Malati Kanoria	Nil	-
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
Mr. Nawal Kishore Kejriwal [§]	Nil	-
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
Mrs. Rashmi Prashad	Nil	-
Mr. Sushil Kumar Dhandhanania	Nil	-
Mr. Utkarsh Kanoria	Nil	-

[§] Retired on completion of his term of office on 31st May, 2020.

Abbreviations:

ID	Independent Director	NED	Non-Executive Director
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d) Number of Board meetings held and dates on which held

6 (six) meetings of the Board of directors were held during the year on 20th May, 2019, 27th May, 2019, 24th July, 2019, 9th November, 2019, 10th February, 2020 and 14th February, 2020. The maximum gap between two meetings was less than one hundred and twenty days.

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, holds 3,98,776 ordinary shares of the Company. None of the independent directors hold any share the Company.

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

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

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

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	Manufacturing / Operations	Yes	All directors
2	Sales and Marketing	Yes	Mr. Harsh Vardhan Kanoria and Mr. Utkarsh Kanoria
3	Finance and Accounting Principles	Yes	All directors
4	Governance and Legal Compliances	Yes	Mr. Harsh Vardhan Kanoria; Mr. Utkarsh Kanoria; and Mr. Padam Kumar Khaitan
5	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 Listing Regulations and are independent of the management. None of the independent directors has 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 terms of reference of the audit committee are in accordance with the provisions of Section 177 of the Companies Act, 2013 and also include the roles as specified in Part C of Schedule II to the Listing Regulations. The terms of reference inter alia include :

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Review and monitor the auditor's independence, performance and effectiveness of audit process;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company to the Board of directors;
- Examining and reviewing, quarterly 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 of the Company with related parties.

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

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 27th May, 2019, 23rd July, 2019, 9th November, 2019 and 10th February, 2020.

Name of the directors	Number of meetings attended
Mr. Navin Nayar	3
Mr. Sushil Kumar Dhandhanian	4
Mr. Utkarsh Kanoria	4

President (corporate affairs), chief financial officer, representatives of statutory auditor, internal auditor and cost auditor were invitees to the meetings of the audit committee. The Chairman of the audit committee was present at the last AGM of the Company held on 24th July, 2019. Minutes of audit committee are placed before the Board for noting. The company secretary acts as the secretary to the audit committee. The maximum gap between any two meetings was less than one hundred and twenty days.

4. Nomination and remuneration committee

a) Brief description of terms of reference

The terms of reference of the nomination and remuneration committee are in accordance with the provisions of Section 178 of the Companies Act, 2013 and also include the roles as specified in Part D (A) of Schedule II to the Listing Regulations. The terms of reference inter alia include :

- 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;
- 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.

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

(₹ in Lakhs)

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 27th May, 2019 and 10th February, 2020.

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 last AGM of the Company held on 24th July, 2019.

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; independence in judgement and avoiding conflict of interest.

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

Details of remuneration of executive directors for the year ended 31st March, 2020 :

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	324.00	2.40	10.45	5 years from 1st August, 2015
Mr. Nawal Kishore Kejriwal [§] (Wholetime Director)	44.00	30.00	4.40	61.13	1 year from 1st June, 2019
Mr. Utkarsh Kanoria (Wholetime Director)	21.00	190.00	Nil	12.00	5 years from 24th May, 2017

[§] Retired on completion of his term of office on 31st May, 2020.

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.

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

(₹ in Lakhs)

Details of remuneration of non-executive directors including independent directors for the year ended 31st March, 2020 :

Name of the directors	Sitting Fees ₹	Commission ₹
Mrs. Malati Kanoria (Non-executive director, Promoter)	0.30	5.00
Mr. Navin Nayar (Independent Director)	0.35	5.00
Mr. Padam Kumar Khaitan * (Independent Director)	0.35	5.00
Mrs. Rashmi Prashad (Independent Director)	0.35	5.00
Mr. Sushil Kumar Dhandhanian (Independent Director)	0.40	5.00

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

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

The Company avails legal consultancy 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. However, the transaction 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.

b) Criteria of making payment to non-executive directors

The role of the non-executive directors requires devotion of sufficient time to exercise independent judgement in the best interest of Company with ability to contribute and to monitor corporate governance practice and adherence to the Company's code of conduct. Appointments and terms of remuneration of non-executive directors are considered by the Board of directors of the Company based on the recommendation of the nomination and remuneration committee within the limits specified in the special resolution passed by the members. Remuneration to the non-executive directors 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 Companies Act, 2013 and Rules made thereunder for payment of sitting fees. Subject to approval of the members of the Company, non-executive directors including independent directors shall also be paid commission up to an aggregate amount not exceeding 1% of the net profits of the Company for the year. The amount of commission shall be determined by the Board based on their attendance, time and effort devoted and any other contribution made by them. In addition to the sitting fees and commission, the non-executive directors including independent directors shall be entitled to be paid their reasonable travelling, hotel and other expenses incurred for attending Board and Committee meetings or otherwise incurred in the execution of their duties as directors.

6. Stakeholders' Relationship Committee

a) Name of non-executive director heading the committee

Mr. Sushil 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 ¹	Member	Wholetime Director
Mrs. Malati Kanoria ¹	Member	Non-executive Director

¹ 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.)*

b) Name and designation of Compliance Officer

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

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

During the year under review, 22 investor complaints were received which have been redressed to the satisfaction of the concerned shareholders. The Company had no request pending for share transfer/transmission at the close of financial year. Queries received from the investors are replied generally within 15 days of the receipt of the letters/ mails.

7. Corporate Social Responsibility Committee

a) Composition, name of members and chairperson

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

Name of the directors	Designation	Category
Mrs. Malati Kanoria	Chairperson	Non-executive Director
Mr. 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 27th May, 2019 and 10th February, 2020.

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, 24th February, 2020 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 Companies Act, 2013 read with Regulation 25(3) of the 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 Annual General Meetings (AGM) were held and number of special resolution passed:

Financial Year	Location	Date and Time of AGM	Special Resolutions Passed
2016-2017		25th August, 2017 11.00 a.m.	Nil
2017-2018	The Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani (4th Floor), Kolkata 700 017	10th August, 2018 11.00 a.m.	<ul style="list-style-type: none"> i. Re-appointment of Mr. Nawal Kishore Kejriwal as Whole time director for further period of one year w.e.f. 1st June, 2018 ii. Re-appointment of Mr. Navin Nayar as independent director for second term of five consecutive years w.e.f. 1st April, 2019 iii. Re-appointment of Mr. Padam Kumar Khaitan as independent director for second term of five consecutive years w.e.f. 1st April, 2019 iv. Re-appointment of Mr. Sushil Kumar Dhandhanias as independent director for second term of five consecutive years w.e.f. 1st April, 2019 v. Keeping Register of Member, Index of Member and Register of renewed and duplicate certificates at the office of Registrar and Share Transfer Agent
2018-2019		24th July, 2019 11.00 a.m.	<ul style="list-style-type: none"> i. Re-appointment of Mr. Nawal Kishore Kejriwal as Whole time director for further period of one year w.e.f. 1st June, 2019 ii. 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 iii. 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 iv. 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 Companies Act, 2013

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 Companies Act, 2013, 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.

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

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.
- Financial results are published in Business Standard in its all India editions (in English) and Aajkal (in Bengali).
- The Company has its own functional website "www.groupcheviot.net" where information about the Company, quarterly 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 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.

11. General Shareholder information

i) Annual General Meeting (AGM): Date, Time and Venue	Friday, 14th August, 2020 at 11.00 a.m. through video conferencing or other audio-visual means as per details given in the notice calling the annual general meeting of even date.
ii) Financial Calendar (Tentative)	I. Financial Year : 1st April, 2020 to 31st March, 2021 II. First quarter results : On or before 14th August, 2020 III. Half yearly results : On or before 14th November, 2020 IV. Third quarter results : On or before 14th February, 2021 V. Audited Financial Statements : On or before 30th May, 2021
iii) Dividend payment date	Special Interim Dividend was paid on Monday, 2nd March, 2020
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 2020-2021 has been paid on 17th April, 2020.
v) Stock Code-Physical	526817 on BSE Limited
Demat ISIN Number for NSDL and CDSL	INE974B01016
vi) Market Price data: High, Low during each month in last financial year	Information has been given at the end of clause 11.
vii) Stock performance of the Company in comparison to BSE Sensex. (April, 2019 to March, 2020)	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 on 31st March, 2020	Information has been given at the end of clause 11.
xi) Dematerialisation of shares and liquidity	As on 31st March, 2020, 98.1653% of the Company's paid-up share capital representing 63,48,227 ordinary shares is held in dematerialised form.
xii) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity	Not issued

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

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(c) (ii)(a) to the financial statements for the year ended 31st March, 2020.												
xiv) Plants Location	The Company's plants are located at following places: i) 19, Mehta Road, Badekalinagar, Budge Budge, 24- Parganas (South) - 700 137 (West Bengal); ii) Sector II, Falta Special Economic Zone, Falta, 24- Parganas (South) -743 504 (West Bengal).												
xv) Address for Correspondence	Cheviot Company Limited 24, Park Street, Magma House (9th Floor), Kolkata - 700 016 Phone : +91 – 82320 87911/12/13 Fax : 033 – 2249 7269 / 22172488 Email ID : cheviot@chevjute.com Investor service e-mail ID : investorservices@chevjute.com 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, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad.	The Company has obtained Bank Loan Rating from Crisil Limited as under:- <table border="1" data-bbox="625 953 1356 1144"> <thead> <tr> <th>Financial Year</th> <th>2019-20</th> <th>2020-21</th> </tr> </thead> <tbody> <tr> <td>Total Bank Loan Facilities Rated</td> <td>₹ 32.00 Crores</td> <td>₹ 34.00 Crores</td> </tr> <tr> <td>Long-Term Rating</td> <td>Crisil A+/Stable</td> <td>Crisil A+/Stable</td> </tr> <tr> <td>Short-Term Rating</td> <td>Crisil A1+</td> <td>Crisil A1+</td> </tr> </tbody> </table> <p>There has been no revision in the rating during the financial year 2019-2020. The rating stands re-affirmed by Crisil Limited till 31st March, 2021.</p>	Financial Year	2019-20	2020-21	Total Bank Loan Facilities Rated	₹ 32.00 Crores	₹ 34.00 Crores	Long-Term Rating	Crisil A+/Stable	Crisil A+/Stable	Short-Term Rating	Crisil A1+	Crisil A1+
Financial Year	2019-20	2020-21											
Total Bank Loan Facilities Rated	₹ 32.00 Crores	₹ 34.00 Crores											
Long-Term Rating	Crisil A+/Stable	Crisil A+/Stable											
Short-Term Rating	Crisil A1+	Crisil A1+											

Information in respect of clause 11 (vi)

Market Price data: High, Low during each month of 2019-2020 are given in the table below :

Month	BSE Limited	
	High (₹)	Low (₹)
April, 2019	680.00	620.00
May, 2019	678.00	577.00
June, 2019	645.90	585.00
July, 2019	619.95	530.00
August, 2019	662.80	519.00
September, 2019	885.00	620.00
October, 2019	855.95	622.40
November, 2019	919.00	649.95
December, 2019	802.55	725.00
January, 2020	868.00	764.00
February, 2020	905.00	674.20
March, 2020	799.00	450.00

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

Information in respect of clause 11 (vii)

Stock performance of the Company in comparison to BSE Sensex (April, 2019 to March, 2020)

Month	Company' share price at BSE Limited		BSE Sensex	
	High (₹)	Low (₹)	High	Low
April, 2019	680.00	620.00	39,487.45	38,460.25
May, 2019	678.00	577.00	40,124.96	36,956.10
June, 2019	645.90	585.00	40,312.07	38,870.96
July, 2019	619.95	530.00	40,032.41	37,128.26
August, 2019	662.80	519.00	37,807.55	36,102.35
September, 2019	885.00	620.00	39,441.12	35,987.80
October, 2019	855.95	622.40	40,392.22	37,415.83
November, 2019	919.00	649.95	41,163.79	40,014.23
December, 2019	802.55	725.00	41,809.96	40,135.37
January, 2020	868.00	764.00	42,273.87	40,476.55
February, 2020	905.00	674.20	41,709.30	38,219.97
March, 2020	799.00	450.00	39,083.17	25,638.90

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, wholetime director and company secretary. 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.

The shares lodged for dematerialisation are processed within 15 days from the date of their lodgement, if instruments are found valid and complete in all respects.

As stipulated by SEBI, M/s MR & Associates, a firm of Practicing Company Secretaries carries out the secretarial audit to reconcile the total admitted capital in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form and to confirm that the total listed and paid-up capital are in agreement with the aggregate number of shares. This audit is carried out in every quarter and the report is submitted to the BSE Limited.

Information in respect of clause 11(x)

a) Distribution of Shareholding as on 31st March, 2020:

Number of Ordinary shares held	Number of Ordinary Shares	Percentage of Shareholding	Number of Shareholders/folios	Percentage of Shareholders/folios
Up to 500	6,59,226	10.1939	8,413	94.5812
501 to 1000	1,73,012	2.6754	245	2.7544
1001 to 2000	2,13,038	3.2943	156	1.7538
2001 to 3000	68,041	1.0522	29	0.3260
3001 to 4000	47,547	0.7352	14	0.1574
4001 to 5000	40,788	0.6307	9	0.1012
5001 to 10000	1,08,049	1.6708	16	0.1799
10001 and above	51,57,174	79.7475	13	0.1461
Total	64,66,875	100.0000	8,895	100.0000
Physical Mode	1,18,648	1.8347	598	6.7229
Demat Mode	63,48,227	98.1653	8,297	93.2771

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

b) Shareholding Pattern as on 31st March, 2020 :

Category Code	Category of shareholders	Number of shareholders	Total number of shares	As a percentage of total shares
(A)	Shareholding of Promoter and Promoter Group*			
	1. Indian	7	48,49,533	74.9904
	2. Foreign	-	-	-
	Total Shareholding of Promoter and Promoter Group	7	48,49,533	74.9904
(B)	Public Shareholding			
	1. Institutions	19	11,352	0.1755
	2. Non-institutions	8,869	16,05,990	24.8341
	Total Public Shareholding	8,888	16,17,342	25.0096
(C)	Shares held by Custodians and against which Depository Receipts have been issued			
	1. Promoter and Promoter Group	-	-	-
	2. Public	-	-	-
	Total Shares held by Custodians	-	-	-
	TOTAL (A)+(B)+(C)	8,895	64,66,875	100.0000

* 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.

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 of the 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 (<http://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, 2020, 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

- There are no materially significant related party transactions between the Company and its promoters, directors or their relatives etc. that may have potential conflict with the interests of Company at large. All transactions were entered with related party in the ordinary course of business and at arm's length price with prior omnibus approval of the audit committee in line with the policy on related party transaction 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, 2020. Policy on related party transactions and other policies and code of conduct adopted by the Board of directors are displayed on the website (<http://www.groupcheviot.net/investors-jute/corporate-governance-jute/>).

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

- During the last three years, no penalty or stricture has been imposed on the Company by BSE Limited or SEBI or any other statutory authority for non-compliance of any matter related to the capital markets.
- Whistle blower policy/vigil mechanism established by the Company offers appropriate protection to the whistle 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 has been denied access to the audit committee.
- 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) of sub-regulation (2) of Regulation 46 read with Schedule V to Listing Regulations.
 - a. Mandatory requirements: The Company has complied with all mandatory requirements under the Listing Regulations.
 - b. Discretionary requirements: The Chairman of the Company being an executive director, maintaining a Chairman's office for non-executive Chairman is not applicable. The Company did not send half-yearly declaration of financial performance to each household of shareholders since the financial results were made available on the website for public information. The Company has received financial statements with un-modified audit opinion from the auditors during the year ended 31st March, 2020. The internal auditors of the Company have access to directly report to the audit committee.
- The Company does not have any subsidiary.
- 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, 2020.
- The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations.
- A certificate from practising company secretary has been received stating that none of the directors on the Board of the Company 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 statutory authority.
- 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.
- 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, 5th June, 2020

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 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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, 2020.

Kolkata, 5th June, 2020

Harsh Vardhan Kanoria

Chairman and Managing Director,
Chief Executive Officer
DIN : 00060259

CERTIFICATE ON CORPORATE GOVERNANCE

(as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members of Cheviot Company Limited

We have examined the compliance of conditions of Corporate Governance by Cheviot Company Limited ("the Company") for the year ended on 31st March, 2020, 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 Company's management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Our examination is limited to examining the procedures and implementation thereof, 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.

Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the management, we certify that the Company has complied with the conditions of Corporate Governance 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 Listing Regulations during the year ended 31st March, 2020.

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

We further state that this certificate is based on the information and documents as provided electronically and is subject to limitations in view of the consequences arising due to outbreak of COVID-19.

For SJAB & Associates

Practising Company Secretaries

Aditi Jhunjhunwala

Partner
Membership No.: A26988
CP no.: 20346
UDIN: A026988B000341940

Place: Kolkata
Dated: 15th June, 2020

ANNEXURE II TO THE BOARD'S REPORT

FORM NO. MGT - 9

Extract of annual return as on the financial year ended on 31st March, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

i)	CIN	L65993WB1897PLC001409
ii)	Registration Date	27th December, 1897
iii)	Name of the Company	Cheviot Company Limited
iv)	Category / Sub-Category of the Company	Public Limited Company
v)	Address of the Registered office and contact details	24, Park Street, Magma House, 9th Floor, Kolkata- 700 016 Telephone: +91 82320 87911/12/13 Fax Number: (033) 2249 7269/ 2217 2488 Email ID: cheviot@chevjute.com
vi)	Whether listed company or not	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Maheshwari Datamatics Private Limited 23, R.N. Mukherjee Road, 5th Floor, Kolkata - 700 001 Telephone: (033) 2248 2248 / 2243 5029 Fax Number: (033) 2248-4787 Email ID: mdpldc@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl. No	Name and Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Harsh Investments Private Limited 24, Park Street, Magma House, 9th Floor, Kolkata- 700 016	U28993WB1971PTC028158	HOLDING	57.2525%	2(46)

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

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2019)				No. of Shares held at the end of the year (As on 31st March, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individuals/Hindu Undivided Family	11,32,638	-	11,32,638	17.5145	11,32,638	-	11,32,638	17.5145	-
b) Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	37,16,895	-	37,16,895	57.4759	37,16,895	-	37,16,895	57.4759	-
d) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
e) Any other (specify)	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	48,49,533	-	48,49,533	74.9904	48,49,533	-	48,49,533	74.9904	-
2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
e) Any other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoters (A) = (A) (1) + (A) (2)	48,49,533	-	48,49,533	74.9904	48,49,533	-	48,49,533	74.9904	-
Public Shareholding									
B. 1) Institutions									
a) Mutual Funds	150	150	300	0.0046	150	150	300	0.0046	-
b) Banks / Financial Institutions	189	9,809	9,998	0.1546	678	9,335	10,013	0.1548	0.0002
c) Central Government	7,726	-	7,726	0.1195	1,039	-	1,039	0.0161	(0.1034)
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)	8,065	9,959	18,024	0.2787	1,867	9,485	11,352	0.1755	(0.1032)
2) Non-Institutions									
a) Bodies Corporate									
i) Indian	1,03,619	9,954	1,13,573	1.7562	1,17,199	9,707	1,26,906	1.9624	0.2062
ii) Overseas	-	-	-	-	-	-	-	-	-

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

Category of Shareholders		No. of Shares held at the beginning of the year (As on 1st April, 2019)				No. of Shares held at the end of the year (As on 31st March, 2020)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b)	Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	10,98,206	91,605	11,89,811	18.3985	11,06,007	76,290	11,82,297	18.2824	(0.1161)
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	38,770	-	38,770	0.5995	1,54,913	-	1,54,913	2.3955	1.7960
c)	Others (specify)									
	i) Non Resident Individual	31,234	23,428	54,662	0.8453	22,334	23,166	45,500	0.7036	(0.1417)
	ii) Clearing Member	1,17,853	-	1,17,853	1.8224	6,774	-	6,774	0.1047	(1.7177)
	iii) Trusts	628	-	628	0.0097	622	-	622	0.0096	(0.0001)
	iv) NBFCs registered with RBI	3	-	3	0.0001	-	-	-	-	(0.0001)
	v) IEPF Authority	84,018	-	84,018	1.2992	88,978	-	88,978	1.3759	0.0767
	Sub-Total (B) (2)	14,74,331	1,24,987	15,99,318	24.7309	14,96,827	1,09,163	16,05,990	24.8341	0.1032
Total Public Shareholding (B) = (B) (1) + (B) (2)	14,82,396	1,34,946	16,17,342	25.0096	14,98,694	1,18,648	16,17,342	25.0096	-	
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	63,31,929	1,34,946	64,66,875	100.0000	63,48,227	1,18,648	64,66,875	100.0000	0.0000

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1st April, 2019)			Shareholding at the end of the year (As on 31st March, 2020)			% Change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Total Shares pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Total Shares pledged/encumbered to total shares	
1	Mr. Harsh Vardhan Kanoria	4,80,853	7.4356	-	4,80,853	7.4356	-	-
2	Mrs. Malati Kanoria	3,98,776	6.1665	-	3,98,776	6.1665	-	-
3	Mr. Utkarsh Kanoria	2,53,009	3.9124	-	2,53,009	3.9124	-	-
4	Harsh Investments Private Limited	37,02,445	57.2525	-	37,02,445	57.2525	-	-
5	Abhyadoot Finance and Investments Private Limited	12,946	0.2002	-	12,946	0.2002	-	-
6	Cheviot International Limited	208	0.0032	-	208	0.0032	-	-
7	Cheviot Agro Industries Private Limited	1,296	0.0200	-	1,296	0.0200	-	-
	Total	48,49,533	74.9904	-	48,49,533	74.9904	-	-

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

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl No.		Shareholding at the beginning of the year (As on 1st April, 2019)		Cumulative Shareholding during the year (1st April, 2019 to 31st March, 2020)	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	At the beginning of the year				
	Date wise increase/decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.)				
	At the end of the year				

There is no change in Promoter's Shareholding between 1st April, 2019 and 31st March, 2020

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

Sl No.	For Each of the Top Ten Shareholders	Shareholding at the beginning of the year (As on 1st April, 2019)		Cumulative Shareholding during the year (1st April, 2019 to 31st March, 2020)		
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company	
1	Vijay Kishanlal Kedia					
	At the beginning of the year		25,740	0.3980	25,740	0.3980
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.):					
	05.04.2019	Market Sale	(15,000)	(0.2319)	10,740	0.1661
	12.04.2019	Market Purchase	90,000	1.3917	1,00,740	1.5578
	13.09.2019	Market Purchase	600	0.0093	1,01,340	1.5671
	20.09.2019	Market Sale	(600)	(0.0093)	1,00,740	1.5578
	At the end of the year				1,00,740	1.5578
2	Wallfort Financial Services Limited					
	At the beginning of the year		40,000	0.6185	40,000	0.6185
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.):					
	03.01.2020	Market Purchase	7,000	0.1083	47,000	0.7268
	10.01.2020	Market Purchase	3,000	0.0464	50,000	0.7732
	14.02.2020	Market Sale	(10,000)	(0.1547)	40,000	0.6185
	At the end of the year				40,000	0.6185
3	Vineet Nahata					
	At the beginning of the year		629	0.0097	629	0.0097
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.):					
	12.04.2019	Market Sale	(100)	(0.0015)	529	0.0082
	26.04.2019	Market Sale	(400)	(0.0062)	129	0.0020
	10.05.2019	Market Purchase	576	0.0089	705	0.0109
	17.05.2019	Market Sale	(385)	(0.0060)	320	0.0049
	24.05.2019	Market Sale	(191)	(0.0029)	129	0.0020
	30.08.2019	Market Purchase	25,456	0.3936	25,585	0.3956
	20.09.2019	Market Sale	(129)	(0.0020)	25,456	0.3936
	11.10.2019	Market Purchase	15	0.0003	25,471	0.3939
	At the end of the year				25,471	0.3939

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

Sl No.	For Each of the Top Ten Shareholders	Shareholding at the beginning of the year (As on 1st April, 2019)		Cumulative Shareholding during the year (1st April, 2019 to 31st March, 2020)			
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company		
4	Sunil Kumar Gupta						
	At the beginning of the year			-	-		
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.):	08.11.2019	Market Purchase	10,000	0.1546	10,000	0.1546
		15.11.2019	Market Purchase	5,000	0.0774	15,000	0.2320
		29.11.2019	Market Purchase	500	0.0077	15,500	0.2397
		06.12.2019	Market Purchase	600	0.0093	16,100	0.2490
		14.02.2020	Market Purchase	600	0.0093	16,700	0.2583
		21.02.2020	Market Purchase	300	0.0046	17,000	0.2629
		27.03.2020	Market Purchase	500	0.0077	17,500	0.2706
	31.03.2020	Market Purchase	500	0.0077	18,000	0.2783	
	At the end of the year				18,000	0.2783	
5	Sanjay Natvarlal Shah						
	At the beginning of the year			13,824	0.2138	13,824	0.2138
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.):			-	-	-	-
	At the end of the year				13,824	0.2138	
6	Saunijot Advisory Services LLP						
	At the beginning of the year			11,430	0.1767	11,430	0.1767
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.):			-	-	-	-
	At the end of the year				11,430	0.1767	
7	Bhuvnesh Kumar Bansal						
	At the beginning of the year			9,000	0.1392	9,000	0.1392
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.):	10.05.2019	Market Purchase	1,400	0.0216	10,400	0.1608
		02.08.2019	Market Purchase	302	0.0047	10,702	0.1655
	At the end of the year				10,702	0.1655	
8	Manish Poddar HUF						
	At the beginning of the year			9,000	0.1392	9,000	0.1392
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.):			-	-	-	-
	At the end of the year				9,000	0.1392	

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

Sl No.	For Each of the Top Ten Shareholders			Shareholding at the beginning of the year (As on 1st April, 2019)		Cumulative Shareholding during the year (1st April, 2019 to 31st March, 2020)	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
9	Kushal Jayesh Khandwala						
	At the beginning of the year			3,885	0.0601	3,885	0.0601
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.):	08.11.2019	Market Purchase	4,500	0.0696	8,385	0.1297
	At the end of the year					8,385	0.1297
10	Sonia Aggarwal						
	At the beginning of the year			6,570	0.1016	6,570	0.1016
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.):	26.07.2019	Market Purchase	200	0.0031	6,770	0.1047
		02.08.2019	Market Sale	(5,970)	(0.0923)	800	0.0124
		08.11.2019	Market Purchase	8,998	0.1391	9,798	0.1515
		13.12.2019	Market Sale	(200)	(0.0031)	9,598	0.1484
		20.12.2019	Market Sale	(800)	(0.0124)	8,798	0.1360
		27.12.2019	Market Sale	(101)	(0.0015)	8,697	0.1345
		03.01.2020	Market Sale	(99)	(0.0015)	8,598	0.1330
		31.01.2020	Market Sale	(100)	(0.0015)	8,498	0.1315
	27.03.2020	Market Sale	(998)	(0.0155)	7,500	0.1160	
	31.03.2020	Market Sale	(200)	(0.0031)	7,300	0.1129	
At the end of the year					7,300	0.1129	

v) Shareholding of Directors and Key Managerial Personnel :

Sl No.	For Each of the Directors and KMP			Shareholding at the beginning of the year (As on 1st April, 2019)		Cumulative Shareholding during the year (1st April, 2019 to 31st March, 2020)	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Mr. Harsh Vardhan Kanoria, Chairman and Managing Director						
	At the beginning of the year			4,80,853	7.4356	4,80,853	7.4356
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.):			-	-	-	-
	At the end of the year					4,80,853	7.4356
2	Mrs. Malati Kanoria, Non-Executive Director						
	At the beginning of the year			3,98,776	6.1665	3,98,776	6.1665
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.):			-	-	-	-
	At the end of the year					3,98,776	6.1665
3	Mr. Utkarsh Kanoria, Wholetime Director						
	At the beginning of the year			2,53,009	3.9124	2,53,009	3.9124
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.):			-	-	-	-
	At the end of the year					2,53,009	3.9124

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

(₹ in Lakhs)

Sl No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (As on 1st April, 2019)		Cumulative Shareholding during the year (1st April, 2019 to 31st March, 2020)	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
4	Mr. Nawal Kishore Kejriwal, Wholetime Director				
	At the beginning of the year	420	0.0065	420	0.0065
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.):	-	-	-	-
	At the end of the year			420	0.0065
5	Mr. Madhup Kumar Patni, Chief Financial Officer				
	At the beginning of the year	13	0.0002	13	0.0002
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.):	-	-	-	-
	At the end of the year			13	0.0002
6	Mr. Aditya Banerjee, Company Secretary				
	At the beginning of the year	15	0.0002	15	0.0002
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.):	-	-	-	-
	At the end of the year			15	0.0002

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

V INDEBTEDNESS

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

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
		₹	₹	₹	₹
Indebtedness at the beginning of the financial year (1st April, 2019)					
i)	Principal Amount	85.46	-	-	85.46
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	0.20	-	-	0.20
Total (i+ii+iii)		85.66	-	-	85.66
Change in Indebtedness during the financial year					
	Addition	386.49	-	-	386.49
	Reduction	-	-	-	-
Net Change		386.49	-	-	386.49
Indebtedness at the end of the financial year (31st March, 2020)					
i)	Principal Amount	472.09	-	-	472.09
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	0.06	-	-	0.06
Total (i+ii+iii)		472.15	-	-	472.15

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

(₹ in Lakhs)

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to managing director, wholetime director and/or Manager :

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. Harsh Vardhan Kanoria, Chairman and Managing Director, CEO	Mr. Nawal Kishore Kejriwal, Wholetime Director	Mr. Utkarsh Kanoria, Wholetime Director	
		₹	₹	₹	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	33.11	57.10	31.19	121.40
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	0.90	0.72	0.58	2.20
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	324.00	30.00	190.00	544.00
	- others, specify	-	-	-	-
5	Others, please specify				
	(Retiral Benefits)	2.84	51.71	1.23	55.78
	Total (A)	360.85	139.53	223.00	723.38
	Ceiling as per the Act	₹ 725.76 (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

B. Remuneration to other directors :

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Navin Nayar	Mr. Padam Kumar Khaitan	Mrs. Rashmi Prashad	Mr. Sushil Kumar Dhandhanian	Mrs. M. Kanoria	
		₹	₹	₹	₹	₹	
1.	Independent directors						
	Fee for attending board/committee meetings	0.35	0.35	0.35	0.40	-	1.45
	Commission	5.00	5.00	5.00	5.00	-	20.00
	Others, please specify	-	-	-	-	-	-
	Total (1)	5.35	5.35	5.35	5.40	-	21.45
2.	Other non-executive directors						
	Fee for attending board/committee meetings	-	-	-	-	0.30	0.30
	Commission	-	-	-	-	5.00	5.00
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	5.30	5.30
	Total (B) = (1 + 2)	5.35	5.35	5.35	5.40	5.30	26.75
	Total Managerial Remuneration (A + B)						750.13
	Overall Ceiling as per the Act	₹ 798.34 (being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)					

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

(₹ in Lakhs)

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

Sl. No.	Particulars of Remuneration	Key managerial personnel		Total Amount
		Chief Financial Officer	Company Secretary	
		₹	₹	₹
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	32.19	18.34	50.53
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.31	0.38	0.69
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
5.	Others, please specify			
	(Retiral Benefits)	2.10	1.40	3.50
	Total (C)	34.60	20.12	54.72

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
			None		
B. DIRECTORS					
			None		
C. OTHER OFFICERS IN DEFAULT					
			None		

ANNEXURE III TO THE BOARD'S REPORT

(₹ in Lakhs)

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014:

A. Conservation of Energy

(i)	The steps taken or impact on conservation of energy	Following steps are taken for conservation of energy during the year to reduce consumption of energy :
		(i) Replacement of 36W tube lights with energy efficient LED 18W tube lamps;
		(ii) Retrofitting and replacement of induction motors with EFF-1 category motor and conventional pumps with new gear pump;
		(iii) Insulation of steam pipe line and air-compressor pipe line;
		(iv) Re-sizing of motor capacity according to application;
		(v) Installation and use of small capacitor banks to maintain Line Power Factor;
		(vi) Replacement of 150W SON Lamps with energy efficient LED 35W/40W street light;
		(vii) Gradual modification of conventional spinning frames.
(ii)	The steps taken by the Company for utilising alternate sources of energy	Following steps are taken by the Company for utilising alternate sources of energy :
		(i) Maximum use of natural light during day time and safelux system to get the factory premises illuminated;
		(ii) Use of jute waste as fuel in Boilers.
(iii)	The capital investment on energy conservation equipments	During the year under review, there was no capital investment on energy conservation equipments. All energy conservation measures were consumable in nature.

B. Technology Absorption

(i)	The efforts made towards technology absorption	The Company keeps track of technological development in plant and machineries which are useful for Jute Industry and takes required measures for upgradation.
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	(i) Improvement in productivity and operational efficiency;
		(ii) Cost reduction;
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -	Technology has not been imported during the last three years.
	a) the details of technology imported	
	b) the year of import	
	c) whether the technology been fully absorbed	
	d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	
(iv)	the expenditure incurred on research and development	The Company does not have in-house research and development facility and therefore no expenditure has been incurred in this regard.

C. Foreign Exchange earnings and outgo :

- (i) Foreign exchange earned during the year in terms of actual inflow: ₹ 15,921.36
(ii) Foreign exchange outgo during the year in terms of actual outflow: ₹ 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, 5th June, 2020

ANNEXURE IV TO THE BOARD'S REPORT

(₹ in Lakhs)

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

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs :	In accordance with the Company's CSR policy, the CSR Programs were undertaken during the year 2019-20 in the field of promoting healthcare, education, nationally recognised sports and benefit of armed forces dependents. The CSR Policy is available on Company's website (http://www.groupcheviot.net/investors-jute/corporate-governance-jute/).					
2.	The Composition of the CSR Committee :	The CSR Committee consists of the following members: 1. Mrs. Malati Kanoria (Non-executive Director) – Chairperson 2. Mrs. Rashmi Prashad (Independent Director) – Member 3. Mr. Padam Kumar Khaitan (Independent Director) – Member					
3.	Average net profit of the Company for last three financial years :	₹ 5,876.00					
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) :	₹ 117.52					
5.	Details of CSR spent during the financial year (a) Total amount to be spent for the financial year : (b) Amount unspent, if any : (c) Manner in which the amount spent during the financial year is detailed below :	₹ 117.52 ₹ NIL					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Project or activity identified	Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013)	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (budget) Project or Program-wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent : Direct or through implementing agency
5a.	For promoting healthcare	Cl. (i) Healthcare	1. Local Area 2. Budge Budge, Dist 24 Parganas (South), West Bengal, India	₹ 18.76	₹ 18.76 *	₹ 18.76	Through implementing agency: Cheviot Foundation
			1. Others 2. Assam, India	₹ 46.10	₹ 46.10 *	₹ 46.10	
5b.	For promoting education and healthcare	Cl. (ii) Education and Cl. (i) Healthcare	1. Local Area 2. Gangarampur, D.H. Road, Dist. 24 Parganas (South), West Bengal, India	₹ 9.00	₹ 9.00 *	₹ 9.00	Through implementing agency: Ramakrishna Sarada Mission, Gangarampur
5c.	For promoting nationally recognised sports	Cl. (vii) Nationally recognised sports	1. Others 2. Maharastra- Pune, India	₹ 11.50	₹ 11.50 *	₹ 11.50	Through implementing agency: Lakshya Institute
5d.	For promoting education	Cl. (ii) Education	1. Others 2. Kachua, Dist. Bashirhat, 24 Parganas (North), West Bengal, India	₹ 7.50	₹ 7.50 *	₹ 7.50	Through implementing agency: Lokenath Mission Bidya Niketan

ANNEXURE IV TO THE BOARD'S REPORT (Contd.)

(₹ in Lakhs)

Sl. No.	CSR Project or activity identified	Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013)	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (budget) Project or Program-wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent : Direct or through implementing agency
5e.	For promoting education	Cl. (ii) Education	1. Others 2. New Delhi, India	₹. 4.00	₹ 4.00 *	₹ 4.00	Through implementing agency: Bharatiya Jan Seva Sansthan
5f.	For benefit of armed forces dependents	Cl. (vi) Benefit of armed forces dependents	1. Others 2. Across various States and Districts in India	₹ 8.60	₹ 8.60 *	₹ 8.60	Direct: Bharat Ke Veer
5g.	For promoting healthcare	Cl. (i) Healthcare	1. Others 2. New Delhi, India	₹ 12.00	₹ 12.00 *	₹ 12.00	Through implementing agency: Delhi ENT Hospital And Research Centre
5h.	For promoting education	Cl. (ii) Education	1. Local Area 2. Budge Budge, Dist. 24 Parganas (South), West Bengal, India	₹ 0.57	₹ 0.57 *	₹ 0.57	Direct
Total				₹ 118.03	₹ 118.03	₹ 118.03	
6.	In case the Company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board Report :			Not Applicable			
7.	A responsibility statement by the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company :			The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.			

*Represents direct expenditure on projects or programs; Overheads Nil.

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, 5th June, 2020

ANNEXURE V TO THE BOARD'S REPORT

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

(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year :	
	Directors	Ratio
	Mr. Harsh Vardhan Kanoria, Chairman and Managing Director, Chief Executive Officer	211:1
	Mr. Nawal Kishore Kejriwal, Wholetime Director	82:1
	Mr. Utkarsh Kanoria, Wholetime Director	130:1
	Mrs. Malati Kanoria, Non Executive Director	3:1
	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 Dhandhaniala, Independent Director	3:1
(ii)	The percentage increase in remuneration of each director, chief financial officer, chief executive officer, company secretary in the financial year :	
	Directors / Key Managerial Personnel	% Increase / (Decrease)
	Mr. Harsh Vardhan Kanoria, Chairman and Managing Director, Chief Executive Officer	5%
	Mr. Nawal Kishore Kejriwal, Wholetime Director	103%
	Mr. Utkarsh Kanoria, Wholetime Director	(19)%
	Mrs. Malati Kanoria, Non Executive Director	2%
	Mr. Navin Nayar, Independent Director	2%
	Mr. Padam Kumar Khaitan, Independent Director	2%
	Mrs. Rashmi Prashad, Independent Director	#
	Mr. Sushil Kumar Dhandhaniala, Independent Director	3%
	Mr. Madhup Kumar Patni, Chief Financial Officer	(11)%
	Mr. Aditya Banerjee, Company Secretary	2%
(iii)	The percentage increase in the median remuneration of employees in the financial year :	5%
(iv)	The number of permanent employees on the rolls of Company : (as on 31st March, 2020)	4,201 employees
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :	
	The average percentile increase in the salaries of employees other than the managerial personnel in the last financial year was around 3%. The overall managerial remuneration has increased by 5%. The managerial remuneration is in accordance with the terms of appointment approved by the members and there is no exceptional increase in the managerial remuneration.	
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company :	
	The Company affirms that the remuneration paid to employees, who are covered under Remuneration Policy, is in accordance with the Remuneration Policy of the Company.	

Mrs. Rashmi Prashad, Independent Director was appointed w.e.f. 1st April, 2019 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, 5th June, 2020

ANNEXURE VI 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	2019-2020			
7	Sector 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)	₹ 646.69
2	Total Turnover (INR)	₹ 44,624.90
3	Total profit after taxes (INR)	₹ 4,812.12
4	Total spending on Corporate Social Responsibility as percentage of profit after tax (%)	₹ 118.03 - 2% of average net profit for three financial years immediately preceding financial year 2019-20.
5	List of activities in which expenditure in 4 above has been incurred:-	(a) Healthcare (b) Education (c) Nationally recognised sports (d) Benefit of armed forces dependents

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 VI 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?	https://www.groupcheviot.net/investors-jute/corporate-governance-jute/								
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 shall be 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

a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

Business Responsibility performance of the Company will be 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 Company publish the Business Responsibility Report annually in the Annual Report.

ANNEXURE VI 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 2019-20, the Company had received 22 complaints from the shareholders relating to non-receipt of annual report, non-receipt of dividend/sale proceeds of fractional share 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 environment friendly, natural and bio-degradable. Adequate measures are taken for conservation of energy and minimisation of wastage in the manufacturing process. There is no toxic waste generated in the manufacturing of jute goods. The use of jute goods is promoted across the world as an eco-friendly product.

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?

Company has taken several measures to conserve energy as detailed in **Annexure III** 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.

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

The Company is continually 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.

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.

Jute is a rainy season crop, sown from March to May according to rainfall and type of land. It is harvested from June to September depending upon whether the sowings are early or late. The 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. The raw materials are available throughout the year.

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 mostly procure raw material from local dealers and suppliers. The minimum support price (MSP) of raw jute is regulated by the Ministry of Agriculture and Farmers Welfare.

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 reused either in the manufacturing process or as boiler fuel. Some finished products manufactured are reused several times – for example Sacks used for foodgrain packaging are used up to 10 times.

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

PRINCIPLE 3: Business should promote the wellbeing of all employees

1. Please indicate the Total number of employees.

The total number of employees on roll is 4,201 as on 31st March, 2020.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis:

Total temporary/contractual/casual employees were 1,927 as on 31st March, 2020 out of which 78 comprises of Trainees and Apprentices.

3. Please indicate the Number of permanent women employees:

There were 58 permanent women employee as on 31st March, 2020.

4. Please indicate the Number of permanent employees with disabilities:

There was no permanent employee with disabilities as on 31st March, 2020.

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	4 %
(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 toward 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 undertakes CSR activities for disadvantaged and vulnerable stakeholders in the local areas like organising free eye camps and free cataract operations, restoration of school buildings and such other activities.

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.

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

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 2019-20, 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 have 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 III** 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 2019-20.

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 2019-20.

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

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.

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

(₹ in Lakhs)

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 impact 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 ₹ 118.03 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 IV** 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 in a responsive manner

1. What percentage of customer complaints/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, 5th June, 2020

ANNEXURE VII TO THE BOARD'S REPORT

Form No. MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[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, 2020 ("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, 2020 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 (Buyback of Securities) Regulations, 2018 (Not Applicable to the Company during the audit period);
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations/ guidelines/ circulars issued by SEBI from time to time, to the extent applicable.

ANNEXURE VII 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 subject to the observation stated below :

- (i) Filing of Form IEPF-1 and Form IEPF-4 along with investor-wise details could not be completed by the Company within the prescribed time due to technical issues and the matter had been referred to the IEPF Authority for early resolution.

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 is in conformity with the provisions of the Act.

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

Decisions at the Board meetings were carried out unanimously.

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

We further report that during the audit period, the Company had obtained consent of shareholders of the Company at the AGM held on 24.07.2019 for the following matters :

- (i) appointment of Mrs. Rashmi Prashad as independent director for a period of five years w.e.f. 1st April, 2019;
- (ii) re-appointment of Mr. Nawal Kishore Kejriwal, as wholetime director of the Company, for further period of one year w.e.f. 01.06.2019;
- (iii) creation of mortgage u/s 180(1)(a) of the Companies Act, 2013 in favour of Axis Bank Limited to secure working capital facilities not exceeding ₹ 32 Crores (Rupees Thirty Two Crores only);
- (iii) payment of annual managerial remuneration exceeding 5% of the net profits of the Company to the executive directors belonging to the promoter group pursuant to Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (iv) to make loans and investments up to ₹ 200 Crores (Rupees Two Hundred Crores only) over and above the limit prescribed u/s 186(2) of the Companies Act, 2013;
- (v) to contribute to bonafide and charitable funds, etc. up to ₹ 50 Crores (Rupees Fifty Crores only) in any financial year, u/s 181 of the Companies Act, 2013.

This Report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this Report.

For **MR & Associates**
Company Secretaries

[M R Goenka]
Partner

Place : Kolkata
Date : 5th June, 2020

FCS No. : 4515
C P No. : 2551
UDIN NO. : F004515B000321480

ANNEXURE VII 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

[M R Goenka]
Partner

FCS No. : 4515

C P No. : 2551

UDIN NO. : F004515B000321480

Place : Kolkata

Date : 5th June, 2020

Note : The Audit was conducted earlier for nine months and the audit documents were obtained from the Company except compliance for the quarter January to March 2020. The COVID-19 outbreak was declared as a global pandemic by the World Health Organization. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended across the country to contain the spread of the virus. Due to COVID-19 pandemic impact, the compliance documents for the quarter January to March, 2020 were obtained through electronic mode and verified with requirements. It is further stated that due to the pandemic situation cause by COVID-19, few intimations to Stock Exchanges under relevant SEBI Regulations and compliance under the Companies Act 2013 read with relevant rules were done, within the extension period and relaxation granted by respective regulatory authorities.

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, 2020, 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, 2020, and profit and other comprehensive income, 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>A. Valuation of Inventories.</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 judgement 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"> 1. Completing a walkthrough of the inventory valuation process and assessed the design and implementation of the key controls addressing the risk. 2. Reviewing the document and other record related to physical verification of inventories done by the management during the year and subsequent to year end.

INDEPENDENT AUDITORS' REPORT (Contd.)

(₹ in Lakhs)

The key audit matter	How our audit addressed the key audit matter
	<p>3. Verifying the effectiveness of key inventory controls operating over inventories; including performing alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items" to obtain sufficient appropriate audit evidence.</p> <p>4. Verifying for a sample of individual products that costs have been correctly recorded.</p> <p>5. Comparing the net realisable value to the cost price of inventories to check for completeness of the associated provision.</p> <p>6. Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year.</p> <p>7. Recomputing provisions recorded to verify that they are in line with the Company policy.</p> <p>Our Observation: Based on the audit procedures performed, we are satisfied that the valuation of inventories is appropriate.</p>
<p>B. Valuation and existence of Non-Current and Current Investments</p> <p>Refer note 9 and 15 to the financial statements. The company holds Non-Current and Current Investments amounting to ₹ 19,657.77 and ₹ 5,903.91 respectively which represents 37.79% of total assets as at March 31, 2020. 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.</p>	<p>Our audit procedures included :</p> <p>1. Updating our understanding of the business processes employed by the Company for accounting for and valuing, their investment portfolio.</p> <p>2. Obtaining accounts confirmation / demat account holding statement from the mutual funds, debenture and bonds, government securities, preference shares and alternate investment fund and verified that the Company was the recorded owner of all investments.</p> <p>3. Our audit procedures over the valuation of the Investments included agreeing the fair valuation of all Investments held at March 31, 2020 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.</p> <p>Our Observation: Based on the audit procedures performed, we are satisfied with valuation and existence of non-current and current investment.</p>

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.

INDEPENDENT AUDITORS' REPORT *(Contd.)*

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.

Management's Responsibility for the Financial Statements

The Company's management and Board of directors are 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 state of affairs, profit and other comprehensive income, changes in equity and cash flows 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT *(Contd.)*

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.

- 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.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of directors, none of the directors is disqualified as on March 31, 2020 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, 2020 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.
 - 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, 2020 on its financial position in its financial statements - Refer Note 46.1 to the financial statements;

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

- 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. However, filing of respective forms could not be completed within the prescribed timelines due to technical issues which have been referred to IEPF Authority for resolution.

For **Singhi & Co.,**

Chartered Accountants

Firm's Registration No. 302049E

Ankit Dhelia

Partner

Membership No. 069178

UDIN : 20069178AAAAAS1392

Place : Kolkata

Date : June 5, 2020

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, 2020)

We report that:

- i. In respect of its property, plant and equipment:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and 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 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 its 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.)

(₹ in lakhs)

- 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, employee's 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, 2020 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, 2020 are as under:-

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	31.04	F.Y. 2010-11	Appeal Level
		23.91	F.Y. 2015-16	Appeal Level
		8.15	F.Y. 2016-17	Appeal Level
		23.38	F.Y. 2017-18	Appeal Level
Central Sales Tax Act, 1956	Sales Tax	133.89	F.Y. 2016-17	Appeal Level
		16.36	F.Y. 2017-18	Appeal Level

- 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 moneys by way of initial public offer or further public offer (including debt instruments) and term loan during the year.
- x. 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 course of our audit.
- 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 : 20069178AAAAAS1392

Place : Kolkata

Date : June 5, 2020

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 with reference to financial statements of **CHEVIOT COMPANY LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, 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 issued by the ICAI.

For **Singhi & Co.,**
Chartered Accountants
Firm's Registration No. 302049E
Ankit Dhelia
Partner
Membership No. 069178
UDIN : 20069178AAAAAS1392

Place : Kolkata
Date : June 5, 2020

BALANCE SHEET

as at 31st March, 2020

(₹ in Lakhs)

Particulars	Notes	As at 31st March 2020	As at 31st March 2019
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	21,780.83	21,787.36
(b) Capital work-in-progress		2,595.93	1,440.14
(c) Right of use assets	6	146.74	-
(d) Investment property	7	21.80	22.25
(e) Other intangible assets	8	21.95	33.11
(f) Financial assets			
(i) Investments	9	19,657.77	19,225.87
(ii) Loans	10	22.53	22.53
(iii) Other financial assets	11	1,845.99	282.59
(g) Non-current tax assets (net)	12	116.28	16.86
(h) Other non-current assets	13	255.36	182.63
Total non-current assets		46,465.18	43,013.34
Current assets			
(a) Inventories	14	8,160.03	8,033.29
(b) Financial assets			
(i) Investments	15	5,903.91	8,559.05
(ii) Trade receivables	16	3,420.00	3,186.07
(iii) Cash and cash equivalents	17	1,139.55	893.46
(iv) Other bank balances other than Note - 17	18	987.17	838.78
(v) Other financial assets	19	232.88	190.39
(c) Other current assets	20	1,326.29	1,762.07
Total current assets		21,169.83	23,463.11
TOTAL ASSETS		67,635.01	66,476.45
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	21	647.04	647.04
(b) Other equity	22	61,669.56	60,538.88
Total equity		62,316.60	61,185.92
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	37.04	55.65
(ii) Lease liabilities	24	110.72	-
(iii) Other financial liabilities	25	135.55	89.79
(b) Provisions	26	61.27	65.08
(c) Deferred tax liabilities (net)	27	2,243.47	2,396.49
(d) Other non-current liabilities	28	65.20	107.21
Total non-current liabilities		2,653.25	2,714.22
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	29	416.44	-
(ii) Lease liabilities	30	26.76	-
(iii) Trade payables	31		
- Total outstanding dues of micro enterprises and small enterprises		1.50	1.14
- Total outstanding dues of creditors other than micro enterprises and small enterprises		357.26	516.83
(iv) Other financial liabilities	32	1,462.26	1,352.79
(b) Other current liabilities	33	187.73	228.97
(c) Provisions	34	213.21	400.04
(d) Current tax liabilities (net)	35	-	76.54
Total current liabilities		2,665.16	2,576.31
TOTAL EQUITY & LIABILITIES		67,635.01	66,476.45
Basis of accounting	2		
Significant accounting policies	3		
Significant judgement & key estimate	4		

The notes are 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

Dated the 5th day of June, 2020

Madhup Kumar Patni
Chief Financial Officer**Aditya Banerjee**
Company Secretary

For and on behalf of the Board

Harsh Vardhan KanoriaChairman 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, 2020

(₹ in Lakhs)

	Notes	For the year ended 31st March 2020	For the year ended 31st March 2019
I Revenue from operations	36	45,804.59	39,455.96
II Other income	37	971.61	2,211.43
III Total income (I+II)		46,776.20	41,667.39
IV Expenses			
Cost of materials consumed	38	24,832.03	20,739.85
Changes in inventories of finished goods and work-in-progress	39	78.04	(1,050.55)
Employee benefits expense	40	7,618.07	6,944.50
Finance costs	41	36.70	72.21
Depreciation and amortisation expense	42	430.58	432.90
Other expenses	43	7,596.08	7,371.64
Total expenses (IV)		40,591.50	34,510.55
V Profit before exceptional items and tax (III-IV)		6,184.70	7,156.84
VI Add : Exceptional items		-	-
VII Profit before tax (V+VI)		6,184.70	7,156.84
VIII Tax expense	44		
a) Current tax		1,492.00	2,108.25
b) Deferred tax		(100.69)	41.03
c) Tax for earlier years (net)		(18.73)	(10.24)
IX Profit for the year (VII- VIII)		4,812.12	5,017.80
X Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
(i) Changes in revaluation surplus		-	7,343.66
(ii) Remeasurement of defined benefit plans		124.22	133.79
(iii) Equity instruments through other comprehensive income		(24.66)	135.74
(iv) Income tax relating to items that will not be reclassified to profit or loss		(39.12)	1,432.30
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		-	-
XI Other comprehensive income for the year [(A(i+ii+iii-iv) +B(i-ii))]		138.68	6,180.89
XII Total comprehensive income for the year (IX+XI)		4,950.80	11,198.69
XIII Earnings per ordinary share (Face value of ₹ 10 /- each)			
Basic earnings per share (in ₹)		74.41	77.59
Diluted earnings per share (in ₹)		74.41	77.59
Basis of accounting	2		
Significant accounting policies	3		
Significant judgement & key estimate	4		

The notes are 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
Dated the 5th day of June, 2020

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, 2020

(₹ in Lakhs)

a) Equity share capital

Particulars	Amount
Balance as at 1st April, 2018	431.48
Add: Changes in equity share capital during the year	215.56
Balance as at 31st March, 2019	647.04
Add: Changes in equity share capital during the year	-
Balance as at 31st March, 2020	647.04

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 instrument through other comprehensive income	Revaluation surplus	Remeasurement of defined benefit plans		
Balance as at 1st April, 2018	0.24	36,112.23	29.92	582.29	3,685.75	35.14	9,162.15	-	49,607.72	
Profit for the year	-	-	-	-	5,017.80	-	-	-	5,017.80	
Other comprehensive income (net of taxes)	-	-	-	-	-	123.99	5,969.86	87.04	6,180.89	
Total comprehensive income	-	-	-	-	5,017.80	123.99	5,969.86	87.04	11,198.69	
Final dividend paid for F.Y. 2017-18	-	-	-	-	(43.11)	-	-	-	(43.11)	
Dividend distribution tax	-	-	-	-	(8.86)	-	-	-	(8.86)	
Utilisation on account of issue of bonus ordinary shares	-	(215.56)	-	-	-	-	-	-	(215.56)	
Transfer to general reserve	-	3,800.00	-	-	(3,800.00)	-	-	-	-	
Reclassification from other comprehensive income to retained earnings	-	-	-	-	159.13	(159.13)	-	-	-	
Transfer from other comprehensive income (remeasurement gain/loss net of tax) to retained earnings	-	-	-	-	87.04	-	-	(87.04)	-	
Transfer from special economic zone re-investment reserve account	-	281.64	-	(281.64)	-	-	-	-	-	
Balance as at 31st March, 2019	0.24	39,978.31	29.92	300.65	5,097.75	-	15,132.01	-	60,538.88	

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2020 (Contd.)

(₹ in Lakhs)

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 instrument through other comprehensive income	Revaluation surplus	Remeasurement of defined benefit plans	
Balance as at 31st March, 2019	0.24	39,978.31	29.92	300.65	5,097.75	-	15,132.01	-	60,538.88
Profit for the year	-	-	-	-	4,812.12	-	-	-	4,812.12
Other comprehensive income (net of taxes) *	-	-	-	-	-	(21.86)	67.58	92.96	138.68
Total comprehensive income	-	-	-	-	4,812.12	(21.86)	67.58	92.96	4,950.80
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)
Transfer to general reserve	-	-	-	-	-	-	-	-	-
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)	-	-	-	-	-
Balance as at 31st March, 2020	0.24	40,131.14	29.92	147.82	6,214.56	(53.71)	15,199.59	-	61,669.56

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

The notes are 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
Dated the 5th day of June, 2020

For and on behalf of the Board

Madhup Kumar Patni
Chief Financial Officer

Harsh Vardhan Kanoria
Utkarsh Kanoria

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

Wholesale Director
(DIN : 06950837)

Navin Nayyar

Director
(DIN : 00136057)

Aditya Banerjee
Company Secretary

STATEMENT OF CASH FLOW

for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax as per statement of profit and loss	6,184.70	7,156.84
Adjustments for:		
Depreciation and amortisation expense	430.58	432.90
Unrealised foreign exchange (gain)/loss	(15.71)	13.39
Income from deferred revenue grant	(19.81)	(29.32)
Net (gain)/loss on sale of investments measured at FVTPL	178.46	(180.90)
Net (gain)/loss on fair value changes of investments measured at FVTPL	191.89	(999.65)
Profit on sale of property, plant and equipment (net)	(8.71)	(16.55)
Interest income	(720.05)	(558.95)
Dividend income	(263.41)	(394.64)
Rental income	(5.32)	(3.00)
Impairment of investments	-	204.00
Bad debt / sundry balance written off	22.54	31.21
Finance costs	36.70	72.21
Liabilities / provision written back	(83.47)	(3.44)
	(256.31)	(1,432.74)
Operating profit before working capital changes	5,928.39	5,724.10
Adjustments for :		
(Increase)/decrease in inventories	(126.74)	(1,891.58)
(Increase)/decrease in trade receivables	(196.31)	583.76
(Increase)/decrease in other financial assets	(41.96)	26.72
(Increase)/decrease in other assets	503.41	(240.95)
Increase/(decrease) in trade payables	(158.64)	(38.16)
Increase/(decrease) in other financial liabilities	(96.88)	261.17
Increase/(decrease) in provisions	(115.25)	(26.92)
Increase/(decrease) in other liabilities	(36.16)	(165.45)
	(268.53)	(1,491.41)
Cash generated from operations	5,659.86	4,232.69
Direct taxes paid	(1,645.43)	(2,275.15)
Net cash from operating activities	4,014.43	1,957.54
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and other intangible assets (including changes in capital work-in-progress, capital advances/ creditors)	(1,431.07)	(1,433.66)
Capital subsidy received	-	2.11
Sale of property, plant and equipment	13.56	20.64
Purchase of investments	(23,112.83)	(16,510.77)
Sale of investments	24,923.05	16,340.43
Investment in fixed deposits with a maturity more than 90 days	(1,628.25)	(720.07)
Rent received	5.32	2.70
Interest received	678.23	553.02
Dividend received	262.69	391.41
Net cash (used in) investing activities	(289.30)	(1,354.19)

STATEMENT OF CASH FLOW

for the year ended 31st March, 2020 (Contd.)

(in ₹ Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of non-current borrowings	(29.81)	(29.81)
Payment of lease liabilities	(22.76)	-
Proceeds from / (Repayment of) current borrowings (net)	416.44	(458.93)
Dividend paid	(3,168.77)	(43.11)
Dividend distribution tax paid	(651.35)	(8.86)
Interest and other finance charges paid	(29.45)	(80.59)
Net cash (used in) financing activities	(3,485.70)	(621.30)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	239.43	(17.95)
Cash and cash equivalents (opening balance)	893.02	903.37
Effect of exchange rate changes on cash and cash equivalents	7.10	7.60
Cash and cash equivalents (closing balance)	1,139.55	893.02
Notes :		
1. Cash and cash equivalents (Refer Note - 17) included in the cash flow statement comprise the following balance sheet amounts:		
Cash on hand	5.85	3.11
Cheques on hand	0.64	0.71
Balances with banks		
- in current accounts	1,133.06	874.02
- in cash credit accounts	-	15.62
Cash and cash equivalents (closing balance)	1,139.55	893.46
Less: Restricted balance on account of fractional bonus shares lying in current account	-	0.44
	1,139.55	893.02

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)
Balance as at 1st April, 2018 (including interest accrued thereon)	115.60	458.93
Cash flow (net)	(29.81)	(458.93)
Non-cash changes		
- Fair value changes	-	-
Interest expense	10.10	41.22
Interest paid	(10.23)	(41.22)
Balance as at 31st March, 2019 (including interest accrued thereon)	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)
Balance as at 31st March, 2020 (including interest accrued thereon)	55.71	416.44

4. Previous year's figures have been reclassified/regrouped to conform the current year's presentation.

The notes are 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
Dated the 5th day of June, 2020

Madhup Kumar Patni
Chief Financial Officer

Aditya Banerjee
Company Secretary

Harsh Vardhan Kanoria

Utkarsh Kanoria

Navin Nayar

For and on behalf of the Board

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

Wholetime Director
(DIN : 06950837)

Director
(DIN : 00136057)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

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 and jute shopping bags 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, 2020 have been approved and authorised for issue by the Board of Directors in their meeting held on 5th June, 2020.

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, 2020

2.6. Adoption of new Accounting Standards

The Company has applied the following accounting standards and its amendments for the first time for annual reporting period commencing 1st April, 2019:

- Ind AS 116 - Leases
- Amendment to Ind AS 12 – Income Taxes and Ind AS 12 Appendix 'C' – Uncertainty over Income Tax Treatments
- Amendment to Ind AS 19 – Plan amendment, curtailment or settlement
- Amendment to Ind AS 23 – Borrowing Cost
- Amendment to Ind AS 103 – Business Combination and Ind AS 111 – Joint Arrangements
- Ind AS 109 – Prepayment Features with Negative Compensation

The Company had to change its accounting policies following the adoption of Ind AS – 116. Company's new accounting policy is described in "paragraph 3.5" of Significant Accounting Policies to the financial statements and the impact of transition to Ind AS-116 is given vide Note No. 53 to the financial statements. Most of the above amendments 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, 2020

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 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, 2020

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, 2020

(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, 2020

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.

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

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, 2020

➤ 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, 2020

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, 2020

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 to 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, 2020

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 Standard issued but not yet effective upto the date of issuance of the Company's Financial Statement are disclosed below:

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 1st April, 2020

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

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 Obligations (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 change 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.

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 judgement 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 judgements, 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

5. PROPERTY, PLANT AND EQUIPMENT

Particulars	Land		Buildings	Plant and machinery	Electrical installations and equipments	Furniture and fixtures	Vehicles	Office equipments	Total
	Freehold	Leasehold							
Cost									
As at 1st April, 2018	9,647.26	15.60	7,896.25	12,362.67	1,446.75	347.46	148.22	270.05	32,134.26
Additions / Revaluation	7,343.66	-	-	23.67	10.62	2.14	30.16	1.97	7,412.22
Disposals	-	-	-	94.71	0.13	-	14.99	0.31	110.14
As at 31st March, 2019	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
As at 31st March, 2020	16,990.92	-	7,913.19	12,614.29	1,474.21	350.76	168.62	283.58	39,795.57
Accumulated depreciation/ amortisation									
As at 1st April, 2018	-	2.53	4,842.46	10,609.21	1,296.46	317.16	79.85	207.46	17,355.13
Charge for the year	-	0.16	102.98	249.60	14.83	4.72	13.02	14.59	399.90
Disposals	-	-	-	93.81	0.11	-	11.84	0.29	106.05
As at 31st March, 2019	-	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
As at 31st March, 2020	-	-	5,048.84	10,994.38	1,325.23	324.76	87.19	234.34	18,014.74
Net Block									
As at 31st March, 2019	16,990.92	12.91	2,950.81	1,526.63	146.06	27.72	82.36	49.95	21,787.36
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

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, 2020

(₹ in Lakhs)

6. RIGHT OF USE ASSETS

Particulars	Land
Cost	
As at 1st April, 2019	15.60
Additions	152.56
Disposals	-
As at 31st March, 2020	168.16
Accumulated depreciation	
As at 1st April, 2019	2.69
Charge for the year	18.73
Disposals	-
As at 31st March, 2020	21.42
Net Block	
As at 31st March, 2020	146.74

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

7. INVESTMENT PROPERTY

Particulars	Leasehold land	Building	Total
Cost			
As at 1st April, 2018	5.76	17.83	23.59
Additions	-	-	-
As at 31st March, 2019	5.76	17.83	23.59
Additions	-	-	-
As at 31st March, 2020	5.76	17.83	23.59
Accumulated amortisation/depreciation			
As at 1st April, 2018	0.18	0.71	0.89
Charge for the year	0.09	0.36	0.45
As at 31st March, 2019	0.27	1.07	1.34
Charge for the year	0.09	0.36	0.45
As at 31st March, 2020	0.36	1.43	1.79
Net Block			
As at 31st March, 2019	5.49	16.76	22.25
As at 31st March, 2020	5.40	16.40	21.80

Notes:

(i) Contractual obligations

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

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

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Rental income	5.32	3.00
Less: Direct operating expenses that generate rental income	0.76	0.11
Less: Direct operating expenses that did not generate rental income	-	-
Profit from leasing of investment properties before depreciation	4.56	2.89
Less: Amortisation/depreciation	0.45	0.45
Profit from leasing of investment properties	4.11	2.44

(iii) Fair value of investment properties

Particulars	As at 31st March 2020	As at 31st March 2019
Land	356.85	348.75
Building	103.77	103.56
	460.62	452.31

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.

8. OTHER INTANGIBLE ASSETS

Particulars	Computer Software
Cost	
As at 1st April, 2018	114.79
Additions	1.64
Disposals	-
As at 31st March, 2019	116.43
Additions	3.50
Disposals	-
As at 31st March, 2020	119.93
Accumulated amortisation	
As at 1st April, 2018	50.77
Charge for the year	32.55
Disposals	-
As at 31st March, 2019	83.32
Charge for the year	14.66
Disposals	-
As at 31st March, 2020	97.98
Net Block	
As at 31st March, 2019	33.11
As at 31st March, 2020	21.95

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, 2020

(₹ in Lakhs)

9. INVESTMENTS (NON-CURRENT)

Particulars	Face Value per share/unit	As at 31st March 2020		As at 31st March 2019	
		Shares/Units	Amount	Shares/Units	Amount
<i>(fully paid up unless otherwise stated)</i>					
A. INVESTMENTS AT AMORTISED COST					
Investments in Government Securities (Quoted)					
8.20% Government of India Bonds 2025	100	5,00,000	537.83	-	-
7.27% Government of India Bonds 2026	100	5,00,000	515.88	-	-
8.24% Government of India Bonds 2027	100	5,00,000	537.91	-	-
7.17% Government of India Bonds 2028	100	5,00,000	514.12	-	-
7.59% Government of India Bonds 2029	100	5,00,000	520.13	-	-
Subtotal			2,625.87		-
Investments in Debentures or Bonds (Quoted)					
Housing and Urban Development Corporation Limited					
7.83% Tax Free Bonds, Series B (Option II), 11-NOV-2026	1,00,000	200	200.00	200	200.00
8.51% Tax Free Bonds, Tranche-I, Series 2A, 25-OCT-2028	1,000	20,000	200.00	20,000	200.00
India Infrastructure Finance Company Limited					
8.66% Tax Free Bonds, Tranche II, Series 3A, 22-JAN-2034	1,000	50,000	500.00	50,000	500.00
8.55% Tax Free Bonds, Tranche III, Series 3A, 27-MAR-2034	1,000	30,000	300.00	30,000	300.00
Indian Railway Finance Corporation Limited					
6.72% Tax Free Bonds, Series 73B, 20-DEC-2020	1,00,000	-	- *	200	200.00
Indian Renewable Energy Development Agency Limited					
8.55% Tax Free Bonds, Tranche I, Series IIIA, 13-MAR-2034	1,000	40,000	400.00	40,000	400.00
National Highway Authority of India					
7.28% Tax Free Bonds Series - II B, 18-SEP-2030	10,00,000	20	200.10	20	200.11
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
National Housing Bank					
8.76% Tax Free Bonds, Tranche I, Series 3A, 13-JAN-2034	5,000	6,166	313.98	6,166	314.21
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	1,623.36	-	-
7.15% Tax Free Bonds, Series 55, 21-AUG-2025	10,00,000	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
Subtotal			6,324.98		4,375.26

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	Face Value per share/unit	As at 31st March 2020		As at 31st March 2019	
		Shares/Units	Amount	Shares/Units	Amount
Investments in Preference Share (Quoted)					
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)
Subtotal			-		-
Subtotal (A)			8,950.85		4,375.26
B. INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME					
Investments in Equity Instruments (Quoted)					
HCL Technologies Limited	2	30,000	130.92	-	-
Subtotal			130.92	-	-
Investments in Equity Instruments (Unquoted)					
Cheviot International Limited	10	20	- ^	20	- ^
Woodlands Multispeciality Hospital Limited	10	3,190	0.32	3,190	0.32
Subtotal			0.32	0.32	0.32
Subtotal (B)			131.24	0.32	0.32
C. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS					
Investment in Preference Share (Quoted)					
Zee Entertainment Enterprises Limited	4	-	-	20,00,000	73.47
6.00% Non-Convertible Bonus Preference Shares					
Subtotal			-	73.47	73.47
Investments in Mutual Funds (Quoted)					
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	50,00,000.000	542.79
HDFC Mutual Fund					
HDFC FMP 1309D September 2016 (1) Series 37 - Regular - Growth	10	-	- *	50,00,000.000	608.10
HDFC FMP 3360D March 2014 (1) Series 30 - Regular - Growth	10	84,00,000.000	1,306.84	84,00,000.000	1,184.05
ICICI Prudential Mutual Fund					
ICICI Prudential FMP Series 82 - 1136 Days - Plan P - Cumulative	10	50,00,000.000	583.57	50,00,000.000	535.01
IDFC Mutual Fund					
IDFC Fixed Term Plan Series 131 - Direct - Growth	10	-	- *	70,00,000.000	805.37
IDFC Fixed Term Plan Series 152 - Direct - Growth	10	50,00,000.000	579.13	50,00,000.000	539.63
Kotak Mahindra Mutual Fund					
Kotak FMP Series 202 - Direct - Growth	10	-	- *	50,00,000.000	575.40
Kotak FMP Series 221 - Direct - Growth	10	50,00,000.000	588.90	50,00,000.000	539.88
Kotak FMP Series 232 - Direct - Growth	10	50,00,000.000	580.98	50,00,000.000	531.01
Carried Over...			4,231.77		5,861.24

^ Amount below ₹ 500/-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	Face Value per share/unit	As at 31st March 2020		As at 31st March 2019	
		Shares/Units	Amount	Shares/Units	Amount
Brought Forward...			4,231.77		5,861.24
L&T Mutual Fund					
L&T FMP Series XIV Scheme A (1233D) - Growth	10	-	- *	30,00,000.000	352.30
Nippon India (Formerly Reliance) Mutual Fund					
Nippon India Fixed Horizon Fund - XXXII - Series 4 - Direct - Growth	10	-	-	30,00,000.000	362.67
Nippon India Fixed Horizon Fund - XXXIII - Series 3-Direct - Growth	10	-	- *	40,00,000.000	463.47
Nippon India Fixed Horizon Fund - XXXIV - Series 2- Direct - Growth	10	-	- *	16,50,000.000	188.11
Nippon India Fixed Horizon Fund - XXXVI - Series 6 - Direct - Growth	10	50,00,000.000	593.06	50,00,000.000	543.07
PGIM India (Previously DHFL Pramerica) Mutual Fund					
PGIM India Fixed Duration Fund - Series AZ - Direct - Growth	10	50,00,000.000	502.31	50,00,000.000	486.43
UTI Mutual Fund					
UTI Fixed Term Income Fund Series XXIX - IX (1109 Days) - Direct Growth Plan	10	50,00,000.000	468.73	50,00,000.000	525.16
UTI Fixed Term Income Fund Series XXX - VIII (1286 Days) - Direct Growth Plan	10	50,00,000.000	585.83	50,00,000.000	534.16
Subtotal			6,381.70		9,316.61
Investments in Mutual Funds (Unquoted)					
Aditya Birla Sun Life Mutual Fund					
Aditya Birla Sun Life Frontline Equity Fund - Direct - Dividend Payout	10	-	-	17,96,672.614	962.84
Franklin Templeton Mutual Fund					
Franklin India Prima Fund- Direct- Growth	100	36,772.744	273.65	-	-
Franklin India Focused Equity Fund- Direct- Growth	10	4,89,090.829	154.25	-	-
HDFC Mutual Fund					
HDFC Equity Fund - Direct - Dividend Payout	10	-	-	18,27,458.694	1,010.40
HDFC Equity Fund - Direct - Growth	10	1,41,100.894	682.62	-	-
HDFC Mid-Cap Opportunities Fund - Direct-Dividend Payout	10	-	-	7,13,754.868	250.64
HDFC Mid-Cap Opportunities Fund - Direct-Growth	10	3,86,830.497	160.35	-	-
HDFC Index Fund Sensex Plan - Direct - Growth	10	2,64,698.386	702.98	-	-
ICICI Prudential Mutual Fund					
ICICI Prudential Value Discovery Fund -Direct - Dividend Payout	10	-	-	11,01,125.314	532.61
Mirae Asset Mutual Fund					
Mirae Asset India Equity Fund - Direct - Dividend Payout	10	-	-	5,48,681.792	198.00
Mirae Asset India Equity Fund - Direct - Growth	10	3,66,524.113	151.93	-	-
Nippon India (Formerly Reliance) Mutual Fund					
Nippon India Multi Cap Fund - Direct - Dividend Payout	10	-	-	13,26,356.000	490.87
SBI Mutual Fund					
SBI Magnum Multicap Fund - Direct - Dividend Payout	10	-	-	21,97,135.814	564.14
SBI Magnum Multicap Fund - Direct - Growth	10	10,98,144.126	433.22	-	-
Subtotal			2,559.00		4,009.50

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	Face Value per share/unit	As at 31st March 2020		As at 31st March 2019	
		Shares/Units	Amount	Shares/Units	Amount
Investments in Alternative Investment Funds (Unquoted)					
IIFL Asset Management #					
IIFL Special Opportunities Fund (previous year face value ₹ 10 /unit)	9.1727	18,60,518.129	167.65	18,60,518.129	215.02
IIFL Special Opportunities Fund Series 5	10	20,59,061.861	168.45	20,59,061.861	198.98
IIFL Special Opportunities Fund Series 7	10	9,72,433.108	88.24	6,01,994.509	61.42
IIFL India Housing Fund (previous year face value ₹ 10 /unit)	9.9152	57,04,621.694	628.02	24,94,761.002	259.77
IIFL Re-organize India Equity Fund	10	22,08,288.552	122.74	22,08,288.552	174.07
White Oak India Alternate Investment Fund					
White Oak India Equity Fund	10	48,22,958.103	459.88	48,22,958.103	541.45
Subtotal			1,634.98		1,450.71
Subtotal (C)			10,575.68		14,850.29
TOTAL (A+B+C)			19,657.77		19,225.87
Aggregate amount of Quoted Investments			15,463.47		13,765.34
Aggregate Market Value of Quoted Investments			16,398.86		14,431.90
Aggregate amount of Unquoted Investments			4,194.30		5,460.53
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

10. LOANS

Particulars	As at 31st March 2020	As at 31st March 2019
Loans receivables considered good - Unsecured		
- Security deposits*	22.53	22.53
	22.53	22.53

* Represents interest-bearing security deposits.

11. OTHER FINANCIAL ASSETS (NON-CURRENT)

Particulars	As at 31st March 2020	As at 31st March 2019
Fixed deposit accounts with bank (maturity over 12 months)*	1,798.85	266.66
Interest accrued on fixed deposits	1.14	0.97
Security deposits	11.47	11.51
Advances given to employees	34.53	3.45
	1,845.99	282.59

* Under lien ₹ 50.00 (31st March 2019 ₹ 266.66) towards margin money and / or security against borrowings.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

12. NON-CURRENT TAX ASSETS (NET)

Particulars	As at 31st March 2020	As at 31st March 2019
Advance income tax and refund due (net of provision)	116.28	16.86
	116.28	16.86

13. OTHER NON-CURRENT ASSETS

Particulars	As at 31st March 2020	As at 31st March 2019
Capital advances	67.48	28.29
Others		
- Prepaid expense	11.95	15.79
- Indirect tax refundable (net of provision of ₹ Nil, 31st March, 2019 ₹ 7.48)	159.91	138.55
- Indirect taxes paid against demand	16.02	-
	255.36	182.63

14. INVENTORIES

Particulars	As at 31st March 2020	As at 31st March 2019
(Valued at lower of cost and net realisable value)		
Raw materials	4,784.93	4,629.89
Work-in-progress	1,260.61	1,192.61
Finished goods	1,730.46	1,876.50
Stores and spares	382.35	333.02
Loose tools	1.68	1.27
	8,160.03	8,033.29
The above includes goods in transit as under:		
Finished goods	79.44	349.08
	79.44	349.08

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

15. INVESTMENTS (CURRENT)

Particulars	Face Value per share/unit	As at 31st March 2020		As at 31st March 2019	
		Shares/Units	Amount	Shares/Units	Amount
<i>(fully paid up unless otherwise stated)</i>					
A. INVESTMENTS AT AMORTISED COST					
Investment in Debenture or Bond (Quoted)					
Indian Railway Finance Corporation Limited					
6.70% Tax Free Bonds, Series 68B, 08-MAR-2020	1,00,000	-	-	300	300.54
6.72% Tax Free Bonds, Series 73B, 20-DEC-2020	1,00,000	200	200.00 *	-	-
Subtotal (A)			200.00		300.54
B. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS					
Investment in Preference Share (Quoted)					
Zee Entertainment Enterprises Limited					
6.00% Non Convertible Bonus Preference Shares	2	-	-	20,00,000.000	36.73
Subtotal			-		36.73
Investments in Mutual Funds (Quoted)					
DSP BlackRock Mutual Fund					
DSP BlackRock FMP - Series 196 - 37M - Direct - Growth	10	-	-	50,00,000.000	579.25
HDFC Mutual Fund					
HDFC FMP 1167D January 2016 (1) Series 35 Direct Growth	10	-	-	50,00,000.000	641.30
HDFC FMP 1114D March 2016 (1) Series 35 - Direct - Growth	10	-	-	50,00,000.000	632.54
HDFC FMP 1309D September 2016 (1) Series 37 - Regular - Growth	10	50,00,000.000	663.20 *	-	-
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 181 - Direct - Growth	10	-	-	30,00,000.000	388.33
Kotak FMP Series 202 - Direct - Growth	10	50,00,000.000	618.75 *	-	-
L&T Mutual Fund					
L&T FMP Series XIV Scheme A (1233D) - Growth	10	30,00,000.000	360.95 *	-	-
Nippon India (Formerly Reliance) 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 *	-	-
Subtotal			3,213.44		2,241.42
Investments in Mutual Funds (Unquoted)					
Aditya Birla Sun Life Mutual Fund					
Aditya Birla Sun Life Liquid Fund - Direct - Growth	100	90,513.212	289.24	1,79,163.608	538.27
Aditya Birla Sun Life Arbitrage Fund - Direct- Dividend Payout	10	-	-	90,46,301.741	997.41
Aditya Birla Sun Life Arbitrage Fund - Direct- Growth	10	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	287.61	1,94,334.753	537.17
ICICI Prudential Equity Arbitrage Fund- Direct -Dividend Payout	10	-	-	69,13,732.691	1,001.90
Kotak Mahindra Mutual Fund					
Kotak Equity Arbitrage Fund -Direct Plan Fortnightly Dividend Payout	10	-	-	63,78,862.247	1,501.51
Kotak Overnight Fund - Direct Plan - Growth	1,000	48,158.389	513.30	-	-
Carried Over...			2,490.47		4,576.26

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	Face Value per share/unit	As at 31st March 2020		As at 31st March 2019	
		Shares/Units	Amount	Shares/Units	Amount
Brought Forward...			2,490.47		4,576.26
SBI Mutual Fund					
SBI Overnight Fund - Direct Plan - Growth	1,000	-	-	32,460.809	1,003.79
UTI Mutual Fund					
UTI Overnight Fund - Direct Plan - Growth	1,000	-	-	15,412.037	400.31
Subtotal			2,490.47		5,980.36
Subtotal (B)			5,703.91		8,258.51
TOTAL (A+B)			5,903.91		8,559.05
Aggregate amount of Quoted Investments			3,413.44		2,578.69
Aggregate Market Value of Quoted Investments			3,415.92		2,578.97
Aggregate amount of Unquoted Investments			2,490.47		5,980.36

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

16. TRADE RECEIVABLES

Particulars	As at	
	31st March 2020	31st March 2019
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	3,420.00	3,186.07
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Less: Allowance for doubtful receivables	-	-
	3,420.00	3,186.07

- 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 2020	31st March 2019
Balances with banks		
- in current accounts *	1,133.06	874.02
- in cash credit accounts	-	15.62
Cheques on hand	0.64	0.71
Cash on hand	5.85	3.11
	1,139.55	893.46

* Includes ₹ Nil (31st March, 2019 ₹ 0.44) on account of fractional bonus shares.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

18. OTHER BANK BALANCES OTHER THAN NOTE - 17

Particulars	As at	As at
	31st March 2020	31st March 2019
Fixed deposits having maturity less than 12 months *	867.70	771.64
Unpaid dividend accounts	118.65	66.31
Fractional bonus share account	0.82	0.83
	987.17	838.78

* Under lien ₹ 150.00 (31st March, 2019 ₹ 771.64) towards margin money and/or security against borrowings.

Fixed deposit accounts with maturity of more than 12 months amounting to ₹ 1,798.85 (31st March, 2019 ₹ 266.66) being non-current has been shown under the head other financial assets (non-current) (Refer Note 11).

19. OTHER FINANCIAL ASSETS (CURRENT)

Particulars	As at	As at
	31st March 2020	31st March 2019
Interest accrued on investments, fixed and security deposits	190.88	111.82
Advances given to employees	13.49	10.27
Other receivables *	28.51	68.30
	232.88	190.39

* Includes primarily amount receivable against investment income and insurance premium refundable.

20. OTHER CURRENT ASSETS

Particulars	As at	As at
	31st March 2020	31st March 2019
Advance against supply of goods and services	43.61	142.20
Others		
-Excess of plan assets over defined benefit obligation (Refer Note - 49)	198.27	300.57
-Export incentives receivable	722.01	568.09
-Other Government grants receivable	-	30.53
-Indirect taxes paid against demand	-	185.62
-Excise duty paid under protest	-	110.73
-Balances with Government authorities	133.79	160.66
-Prepaid expense	194.77	204.25
-Indirect tax refundable	31.76	52.18
-Other advances	2.08	7.24
	1,326.29	1,762.07

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

21. EQUITY SHARE CAPITAL

Particulars	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Authorised share capital				
Ordinary shares of ₹ 10/- each	70,00,000	700.00	70,00,000	700.00
Issued and subscribed share capital				
Ordinary shares of ₹ 10/- each fully paid up	64,66,875	646.69	64,66,875	646.69
Ordinary shares of ₹ 10/- each not fully paid up and forfeited (amount originally paid up)		0.35		0.35
	64,66,875	647.04	64,66,875	647.04

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

Particulars	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	64,66,875	646.69	43,11,250	431.13
Add: Issue of bonus shares	-	-	21,55,625	215.56
At the end of the year	64,66,875	646.69	64,66,875	646.69

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 2020		As at 31st March 2019	
	No. of Shares	% Holding	No. of Shares	% Holding
Ordinary shares of ₹ 10/- each, fully paid up				
Harsh Investments Private Limited	37,02,445	57.25%	37,02,445	57.25%

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

Name of Shareholders	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	% Holding	No. of Shares	% Holding
Ordinary shares of ₹ 10/- each, fully paid up				
Harsh Investments Private Limited (Holding Company)	37,02,445	57.25%	37,02,445	57.25%
Mr. Harsh Vardhan Kanoria	4,80,853	7.44%	4,80,853	7.44%
Mrs. Malati Kanoria	3,98,776	6.17%	3,98,776	6.17%

As per records of the Company, including its register of shareholders / members as on 31st March, 2020, the above shareholding represents legal ownership of shares.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

- e) The Company had issued and allotted 21,55,625 bonus ordinary shares during the financial year 2018-19.
- f) The Company had bought back 2,00,000 ordinary shares during the financial year 2017-18.
- 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 2020	As at 31st March 2019
Capital reserve	22.1	0.24	0.24
General reserve	22.2	40,131.14	39,978.31
Capital redemption reserve	22.3	29.92	29.92
Special economic zone re-investment reserve account	22.4	147.82	300.65
Retained earnings	22.5	6,214.56	5,097.75
Other comprehensive income reserve	22.6	15,145.88	15,132.01
		61,669.56	60,538.88

22.1 Capital reserve

Particulars	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	0.24	0.24
Add: Changes during the year	-	-
Balance at the end of the year	0.24	0.24

22.2 General reserve

Particulars	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	39,978.31	36,112.23
Add: Transfer from retained earnings	-	3,800.00
Add: Transfer from special economic zone re-investment reserve account	152.83	281.64
Less: Utilised on issue of bonus shares	-	215.56
Balance at the end of the year	40,131.14	39,978.31

22.3 Capital redemption reserve

Particulars	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	29.92	29.92
Add: Changes during the year	-	-
Balance at the end of the year	29.92	29.92

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

22.4 Special economic zone re-investment reserve account

Particulars	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	300.65	582.29
Less : Transfer to general reserve upon utilisation	152.18	24.35
Less: Unutilised amount transferred to general reserve on expiry of a period of three years	0.65	257.29
Balance at the end of the year	147.82	300.65

22.5 Retained earnings

Particulars	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	5,097.75	3,685.75
Add: Profit for the year	4,812.12	5,017.80
Add: Transfer from other comprehensive income - Remeasurement of defined benefit plans (net of tax)	92.96	87.04
Add : Transfer from other comprehensive income on reclassification of equity instruments	31.85	159.13
Less: Appropriations		
Final dividend paid for F.Y.2018-19, ₹ 1/-per ordinary share (F.Y.2017-18 ₹ 1/-per ordinary share)	64.67	43.11
Special interim dividend for F.Y.2019-20, ₹ 48/- per ordinary share	3,104.10	-
Dividend distribution tax	651.35	8.86
Transfer to general reserve	-	3,800.00
Balance at the end of the year	6,214.56	5,097.75

22.6 Other comprehensive income reserve

Particulars	As at 31st March 2020	As at 31st March 2019
a) Equity instrument through other comprehensive income		
Balance at the beginning of the year	-	35.14
Add: Change in fair value	(24.66)	135.74
Less: Tax on above	(2.80)	11.75
Less: Transfer to retained earnings on reclassification	31.85	159.13
Balance at the end of the year	(53.71)	-
b) Revaluation surplus		
Balance at the beginning of the year (net of deferred tax)	15,132.01	9,162.15
Add : Change during the year	-	7,343.66
Less: Impact of deferred tax	(67.58)	1,373.80
Balance at the end of the year	15,199.59	15,132.01
c) Remeasurement of defined benefit plans		
Balance at the beginning of the year	-	-
Add: Remeasurement gain	124.22	133.79
Less: Current tax on above	31.26	46.75
Less: Transferred to retained earnings	92.96	87.04
Balance at the end of the year	-	-
Total of other comprehensive income reserve (a + b + c)	15,145.88	15,132.01

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

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 utilised 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 utilised 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 with the nominal amount of the ordinary shares bought back as per the applicable provisions of the Companies Act, 2013. This reserve can be utilised 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 utilised in accordance with the provisions of the Companies Act, 2013.

Other comprehensive income reserve

Equity instrument 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.

Remeasurement of defined benefit plans

Remeasurement of 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, 2020

(₹ in Lakhs)

23. BORROWINGS (NON-CURRENT)

Particulars	As at 31st March 2020	As at 31st March 2019
Term loan (secured)		
From Export Import Bank of India	48.15	62.96
From State Bank of India	7.50	22.50
	55.65	85.46
Less: Current portion (disclosed under other financial liabilities- Refer Note - 32)	18.61	29.81
	37.04	55.65

- 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.
- Outstanding amount including current maturities of loan taken from Export Import Bank of India is repayable in 13 equal quarterly installments of ₹ 3.70 each by July, 2023. As per directives issued by Reserve Bank of India, the Company has opted for moratorium for the repayment of loan for 1 quarter. Rate of interest is LTMLR plus 1% p.a, effective rate @ 10.10% p.a. (31st March, 2019 ₹ 10.30% p.a.)
- Loan from State Bank of India is against lien on fixed deposit.
- Outstanding amount being current maturities of loan taken from State Bank of India is repayable in 6 equal monthly installments of ₹ 1.25 each by September, 2020. Rate of interest is 10.25% p.a. (31st March 2019 : 10.25% p.a.)
- No loans have been guaranteed by the directors of the Company.
- 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 2020	As at 31st March 2019
Lease liabilities (Refer Note - 53)	110.72	-
	110.72	-

25. OTHER FINANCIAL LIABILITIES (NON-CURRENT)

Particulars	As at 31st March 2020	As at 31st March 2019
Long term maturity of finance lease obligation	-	0.03
Capital creditors *	103.30	57.51
Security deposits from contractors	32.25	32.25
	135.55	89.79

* Represents balance in respect of retention money.

26. PROVISIONS (NON-CURRENT)

Particulars	As at 31st March 2020	As at 31st March 2019
Provision for leave	61.27	65.08
	61.27	65.08

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

27. DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31st March 2020	As at 31st March 2019
Deferred tax liabilities		
Arising on account of :		
Depreciable assets	419.13	531.13
Fair value gain on financial instrument	134.85	211.08
On revaluation of freehold land	1,788.22	1,855.80
Reserve created u/s 10AA of the Income Tax Act, 1961	37.20	0.22
	2,379.40	2,598.23
Deferred tax assets		
Arising on account of :		
Disallowances under the Income Tax Act, 1961	69.91	127.61
Mark to market (gain)/loss on forward contract	9.13	-
Deferred revenue grant	22.30	47.42
Lease liabilities	34.59	-
Carried forward losses under Income Tax Act, 1961	-	26.71
	135.93	201.74
Deferred Tax Liabilities (Net)	2,243.47	2,396.49

27.1 Movement in deferred tax assets and liabilities during the year ended 31st March, 2019 and 31st March, 2020

Particulars	As at 1st April 2018	Recognised in statement of profit and loss	Recognised in other comprehensive income *	As at 31st March 2019
Deferred tax liabilities				
Arising on account of :				
Depreciable assets	503.92	27.21	-	531.13
Fair value gain on financial instrument	206.39	(7.06)	11.75	211.08
Mark to market (gain)/loss on forward contract	4.24	(4.24)	-	-
On revaluation of freehold land	482.00	-	1,373.80	1,855.80
Reserve created u/s 10AA of the Income Tax Act, 1961	89.90	(89.68)	-	0.22
	1,286.45	(73.77)	1,385.55	2,598.23
Deferred tax assets				
Arising on account of :				
Disallowances under the Income Tax Act, 1961	137.16	(9.55)	-	127.61
Deferred revenue grant	57.67	(10.25)	-	47.42
Carried forward losses under Income Tax Act, 1961	121.71	(95.00)	-	26.71
	316.54	(114.80)	-	201.74
	969.91	41.03	1,385.55	2,396.49

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	As at 1st April 2019	Recognised in statement of profit and loss	Recognised in other comprehensive income *	As at 31st March 2020
Deferred tax liabilities				
Arising on account of:				
Depreciable assets	531.13	(112.00)	-	419.13
Fair value gain on financial instrument	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
	2,598.23	(166.50)	(52.33)	2,379.40
Deferred tax assets				
Arising on account of:				
Disallowances under the Income Tax Act, 1961	127.61	(57.70)	-	69.91
Mark to market (gain)/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)	-	-
	201.74	(65.81)	-	135.93
	2,396.49	(100.69)	(52.33)	2,243.47

* Excludes ₹ 13.21 (F.Y. 2018-19 ₹ 46.75) being income tax on remeasurement of defined benefit plans and equity instrument 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 2020	As at 31st March 2019
Deferred revenue grant	65.20	107.21
	65.20	107.21

(i) Movement of deferred revenue grant

Particulars	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year (Non-current and current)	135.70	165.02
Add: Addition during the year	-	-
Less: Reversed during the year (Including income reversal of ₹ 4.81) *	27.28	-
Less: Released to statement of profit & loss (Refer Note - 36)	19.81	29.32
Balance at the end of the year (Non-current and current)	88.61	135.70
Non-current deferred revenue	65.20	107.21
Current portion of deferred revenue (Refer Note - 33)	23.41	28.49

* Government grant receivable against plant and machinery amounting to ₹ 27.28 recognised in earlier year has been reversed since the said machineries were not considered as eligible for subsidy by the sanctioning authority.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

29. BORROWINGS (CURRENT)

Particulars	As at 31st March 2020	As at 31st March 2019
Working capital loan (secured)		
From Axis Bank Limited:		
Cash credit	416.44	-
	416.44	-

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 0.35% p.a., effective rate @ 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 31st March 2020	As at 31st March 2019
Lease liabilities (Refer Note - 53)	26.76	-
	26.76	-

31. TRADE PAYABLES

Particulars	As at 31st March 2020	As at 31st March 2019
Total outstanding dues of micro enterprises and small enterprises (Refer Note 47)	1.50	1.14
Total outstanding dues of creditors other than micro enterprises and small enterprises #	357.26	516.83
	358.76	517.97

Includes outstanding dues of directors and other related parties of the Company of ₹ 24.08 (31st March, 2019 ₹ 22.50).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

32. OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	As at 31st March 2020	As at 31st March 2019
Current maturities of long term borrowings (Refer Note - 23)	18.61	29.81
Interest accrued but not due on borrowings	0.06	0.20
Unpaid dividends*	118.65	66.31
Fractional bonus share proceeds unclaimed	0.82	1.27
Capital creditors	129.59	-
Employee related liabilities #	1,142.00	1,239.45
Mark to market loss on forward contract	36.30	-
Others @	16.23	15.75
	1,462.26	1,352.79

* 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 ₹ 548.04 (31st March, 2019 ₹ 551.50).

@ Includes outstanding dues of officer of the Company of ₹ 2.16 (31st March, 2019 ₹ 1.62).

33. OTHER CURRENT LIABILITIES

Particulars	As at 31st March 2020	As at 31st March 2019
Contract liabilities	29.31	33.52
Deferred revenue grant	23.41	28.49
Statutory dues payable	130.46	166.96
Others	4.55	-
	187.73	228.97

34. PROVISIONS (CURRENT)

Particulars	As at 31st March 2020	As at 31st March 2019
Provision for leave	213.21	213.92
Provision for contingencies	-	186.12
	213.21	400.04

(i) Movement of provisions pursuant to Ind AS 34

Particulars	As at 31st March 2020	As at 31st March 2019
Provision for Contingencies		
Balance at the beginning of the year	186.12	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	-	186.12

*The Company had applied for settlement of dispute under the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 and the issue has been resolved vide the discharge certificate dated 16th March, 2020. Accordingly, the amount of excise duty paid under protest has been adjusted with the provision and excess provision made has been reversed during the year.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

35. CURRENT TAX LIABILITIES (NET)

Particulars	As at 31st March 2020	As at 31st March 2019
Provision for taxation (net of payments)	-	76.54
	-	76.54

36. REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Sale of products :		
Finished goods (Refer Note - 51)	44,624.90	38,312.00
	44,624.90	38,312.00
Other operating revenues		
Export incentives	1,110.97	1,068.12
Income from deferred revenue grant	19.81	29.32
Scrap sale	47.48	46.38
Other operating income	1.43	0.14
	1,179.69	1,143.96
	45,804.59	39,455.96

37. OTHER INCOME

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest income #		
On investments	568.21	397.26
On fixed deposits with banks	149.81	28.62
On other deposits	1.33	2.36
On others	0.70	130.71
	720.05	558.95
Dividend income		
Dividend from equity instruments measured at FVTOCI	1.20	2.96
Dividend from other investments measured at FVTPL	262.21	391.68
	263.41	394.64
Other non operating income		
Net gain/(loss) on fair value changes of investments measured at FVTPL	(191.89)	999.65
Net gain/(loss) on sale of investments measured at FVTPL	(178.46)	180.90
Net gain on foreign currency transactions and translations (other than considered as finance cost)	177.15	-
Profit on sale of property, plant and equipment (net)	8.71	16.55
Provision for contingencies written back	75.39	-
Provision for VAT refundable written back	7.48	-
Indirect taxes for earlier years	80.74	45.05
Other non operating income	9.03	15.69
	(11.85)	1,257.84
	971.61	2,211.43
# Interest income comprises interest from :-		
Financial assets measured at amortised cost	565.29	481.48
Other financial assets measured at FVTPL	4.25	12.72
Deposits with banks - carried at amortised cost	149.81	28.62
Other current assets	0.70	36.13
	720.05	558.95

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

38. COST OF MATERIALS CONSUMED

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Raw jute	22,429.98	19,011.54
Jute yarn	2,391.90	1,717.02
Others	10.15	11.29
	24,832.03	20,739.85

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

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Opening stock		
Finished goods	1,876.50	1,220.31
Work-in-progress	1,192.61	798.25
	3,069.11	2,018.56
Closing stock		
Finished goods	1,730.46	1,876.50
Work-in-progress	1,260.61	1,192.61
	2,991.07	3,069.11
	78.04	(1,050.55)

40. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Salaries, wages and bonus	6,720.89	6,073.15
Contribution to provident and other funds (Refer Note - 49) *	833.35	792.22
Staff welfare expenses	63.83	79.13
	7,618.07	6,944.50

* Net of revenue grant received amounting to ₹ 18.31 (F.Y. 2018-19 ₹ 15.46).

41. FINANCE COSTS

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest expenses		
- On borrowings	16.61	51.32
- On lease liabilities	7.66	- [^]
- On others	2.35	5.17
Other borrowing costs	10.08	15.72
	36.70	72.21

[^] Amount below ₹ 500/-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

42. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Depreciation and amortisation of property, plant and equipment	396.74	399.90
Depreciation of right of use assets	18.73	-
Depreciation and amortisation of investment property	0.45	0.45
Amortisation of intangible assets	14.66	32.55
	430.58	432.90

43. OTHER EXPENSES

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Consumption of stores and spare parts	2,280.35	2,143.05
Power & fuel *	1,882.30	1,844.08
Processing charges	1,239.49	751.02
Rent	31.02	92.31
Rates and taxes	21.00	17.72
Repairs to buildings	155.13	144.28
Repairs to machinery	70.54	82.88
Repairs to others	25.63	32.14
Insurance	154.60	73.23
Donation	0.50	525.00
Expenditure towards CSR (Refer Note - 52)	118.03	110.00
Delivery charges	942.55	676.94
Impairment of investments	-	204.00
Bad debts written off	7.05	31.21
Net loss on foreign currency transactions and translations (other than considered as finance cost)	-	47.79
Mark to market loss / cancellation on derivative financial instruments	36.30	2.07
Directors' sitting fees and commission	26.75	26.10
Payments to auditors (refer note below)	11.85	8.91
Miscellaneous expenses *	592.99	558.91
	7,596.08	7,371.64
Payments to auditors :		
(a) for audit services	7.00	5.75
(b) for other services	4.65	3.00
(c) for reimbursement of expenses	0.20	0.16
	11.85	8.91

* Net of revenue grant received amounting to ₹ 16.00 (F.Y. 2018-19 ₹ 19.91).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

44. TAX EXPENSE

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Current tax	1,492.00	2,108.25
Deferred tax	(100.69)	41.03
	1,391.31	2,149.28
Tax for earlier years (net)	(18.73)	(10.24)
	1,372.58	2,139.04

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 2020	For the year ended 31st March 2019
Income before income taxes	6,184.70	7,156.84
Indian statutory income tax rate *	25.168%	34.944%
Estimated income tax expenses	1,556.57	2,500.89
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Income exempt from tax	(191.52)	(295.41)
Deduction under Chapter VIA of the Income Tax Act, 1961	(24.23)	(110.95)
Impact of reversal of reserve created under Section 10AA of the Income Tax Act, 1961	37.20	0.23
Expenses disallowed or considered separately	55.67	278.82
Income taxable at special rates	57.03	(233.47)
Impact due to change in tax rate	(108.28)	-
Others	8.87	9.17
Total tax effect	(165.26)	(351.61)
Tax expenses recognised in statement of profit and loss	1,391.31	2,149.28
Effective tax rate	22.50%	30.03%

* The Company has opted to apply concessional rate of taxation as per the provisions of Section 115BAA of the Income Tax Act, 1961 made effective from financial year 2019-20 pursuant to Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019. Accordingly, the provision for Income Tax and Deferred Tax balances have been recorded/re-measured using the new tax rate and the resultant impact is recognised in the Statement of Profit and Loss for the year ended 31st March, 2020.

45. EARNINGS PER SHARE

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Profit as per statement of profit and loss attributable to ordinary shareholders (a)	4,812.12	5,017.80
Weighted average number of ordinary shares (in number) (b)	64,66,875	64,66,875
Basic & diluted earnings per share (a/b) (nominal value - ₹ 10/- per share) (in ₹)	74.41	77.59

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ 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 2020	As at 31st March 2019
Income tax in dispute and under appeal (Against this ₹ 6.00 (31st March, 2019 ₹ 6.00) has been deposited)	92.48	73.61
Sales tax in dispute and under appeal (Against this ₹ 16.02 has been deposited)	166.27	-

46.2 Capital and other commitments :

Particulars	As at 31st March 2020	As at 31st March 2019
Estimated amount of contracts remaining to be executed and not provided for (net of advances/amount invested) :		
Against property, plant and equipment	1,417.68	2,379.08
Against other intangible assets	-	-
Against investments	400.00	790.00

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 2020	As at 31st March 2019
i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	1.50	1.14
- Towards principal amount	1.50	1.14
- 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.

[^] Amount below ₹ 500/-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

48. DIVIDEND

The Board of Directors at their meeting held on 14th February, 2020 had approved a special interim dividend of ₹ 48/- per ordinary share of the face value of ₹ 10/- each on 64,66,875 ordinary shares which was paid on 2nd March 2020 resulting in total cash outflow amounting to ₹ 3742.16 Lakhs (including Dividend Distribution Tax of ₹ 638.06 Lakhs). No final dividend has been recommended during the year (F.Y.2018-19 ₹ 1/- per ordinary share).

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 ₹ 606.83 (F.Y. 2018-19 ₹ 583.26) towards defined contribution plans. Out of the total contribution, made for employees' provident fund, a sum of ₹ 99.31 (F.Y. 2018-19 ₹ 88,43) 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, 2020

(₹ in Lakhs)

b) Changes in present value of obligation

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2020	For the year ended 31st March, 2019
Defined benefit obligation at the beginning of the year	2,473.36	2,356.27
Current service cost	252.93	242.95
Interest cost on defined benefit obligation	159.44	175.01
Actuarial gain and losses arising from		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	24.33	(19.52)
- Experience adjustment	(124.88)	(144.12)
Benefits paid	(187.34)	(137.23)
Present value of defined benefit obligation at the end of the year	2,597.84	2,473.36

c) Changes in fair value of the plan assets

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2020	For the year ended 31st March, 2019
Fair value of plan assets at the beginning of the year	2,773.93	2,732.01
Interest income on plan assets	185.85	209.00
Actuarial gain/(loss) through other comprehensive income	23.67	(29.85)
Employer contributions to the plan	-	-
Benefits paid from the plan assets	(187.34)	(137.23)
Fair value of plan assets at the end of the year	2,796.11	2,773.93

d) Net asset recognised in the Balance Sheet

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2020	For the year ended 31st March, 2019
Present value of defined benefit obligation	2,597.84	2,473.36
Fair value of plan assets	2,796.11	2,773.93
Net asset recognised in the Balance Sheet	198.27	300.57

e) Expenses recognised in statement of profit and loss

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2020	For the year ended 31st March, 2019
Current service cost	252.93	242.95
Interest cost	159.44	175.01
Interest income on plan assets	(185.85)	(209.00)
Total expenses recognised in statement of profit and loss	226.52	208.96

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

f) Remeasurements recognized in other comprehensive income

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2020	For the year ended 31st March, 2019
Remeasurement (gain)/loss in other comprehensive income due to		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	24.33	(19.52)
- Experience adjustment	(124.88)	(144.12)
Return on plan assets (excluding interest)	(23.67)	29.85
	(124.22)	(133.79)

g) Composition of plan assets

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2020	For the year ended 31st March, 2019
Government of India/ Government of India guaranteed securities	14.98%	13.03%
State Government/ State Government guaranteed securities	41.47%	43.96%
Bonds	33.46%	33.24%
Units of money market mutual fund	0.91%	0.85%
Units of equity linked scheme of mutual fund	4.47%	5.49%
Cash at bank and receivables (net)	4.71%	3.43%
	100.00%	100.00%

h) Actuarial assumptions

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2020	For the year ended 31st March, 2019
Financial Assumptions		
Discount rate	6.70%	7.65%
Salary escalation rate	8.00%	9.00%
Demographic Assumptions		
Mortality rate	IALM (2006-08) Table	IALM (2006-08) Table
Withdrawal rate	1% to 8%	1% to 8%
Retirement age	58-77 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, 2020

(₹ in Lakhs)

- j) At 31st March 2020, the weighted average duration of the defined benefit obligation was 5.24 years (31st March, 2019 5.19 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 2021	275.38
31st March 2022	160.56
31st March 2023	265.81
31st March 2024	253.30
31st March 2025 to 31st March 2030	1,274.10
Beyond 31st March 2030	3,018.95

- k) The Company expects to contribute ₹ Nil to its gratuity fund in F.Y. 2020-21.

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 2020	For the year ended 31st March, 2019
Effect on DBO due to 1% increase in discount rate	2,364.08	2,272.58
Effect on DBO due to 1% decrease in discount rate	2,799.27	2,682.94
Effect on DBO due to 1% increase in salary escalation rate	2,803.20	2,686.16
Effect on DBO due to 1% decrease in salary escalation rate	2,357.15	2,266.60
Effect on DBO due to 1% increase in withdrawal rate	2,542.53	2,440.34
Effect on DBO due to 1% decrease in withdrawal rate	2,590.50	2,487.09

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, 2020

(₹ in Lakhs)

50.3 The geographical segments considered for disclosure are as under :

Particulars	For the year ended 31st March 2020			For the year ended 31st March 2019		
	Within India	Overseas	Total	Within India	Overseas	Total
Revenue	28,472.67	16,152.23	44,624.90	24,320.38	13,991.62	38,312.00
Non-current assets other than financial instruments *	24,938.89	-	24,938.89	23,482.35	-	23,482.35

* 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 ₹ 26,125.22 (58.54% of total revenue); F.Y. 2018-19 ₹ 21,465.00 (56.03% 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 2020	For the year ended 31st March 2019
A. Primary geographical markets		
Within India	28,472.67	24,320.38
Overseas	16,152.23	13,991.62
Total	44,624.90	38,312.00
B. Major products		
Jute products	44,624.90	38,312.00
Total	44,624.90	38,312.00

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 2020	As at 31st March 2019
Receivables, which are included in 'Trade receivables' (Refer Note - 16)	3,420.00	3,186.07
Contract assets	-	-
Contract liabilities (Refer Note - 33)	29.31	33.52
Total (Assets - Liabilities)	3,390.69	3,152.55

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

51.4 Other information

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
(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	33.52	Nil
(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 2020	For the year ended 31st March, 2019
Amount of CSR expenditure to be incurred during the year	117.52	109.58
CSR expenditure incurred during the year		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above (Refer Note - 43)	118.03	110.00
Related party transaction as per Ind AS 24 in relation to CSR expenditure	64.86	94.25

53. Leases

- a) Effective 1st April, 2019, the Company has adopted Ind AS-116 to its leases using modified retrospective transition method. Accordingly, the comparative information for periods relating to earlier years is not restated. The lease liability is measured at the present value of remaining lease payments discounted using incremental borrowing rate at the date of initial application and right of use assets has been recognized at an amount equal to the lease liability. Further, the Company has exercised the following practical expedient :
- i) The Company has not reassessed whether a contract is, or contains, a lease at the date of initial application i.e. the contracts classified as leases as on 31st March, 2019 as per Ind AS-17 is treated as leases under Ind AS -116 and not applying this standard to contracts that were not previously identified as containing a lease applying Ind AS-17.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

- ii) Leases for which the lease term ends within 12 months of the date of initial application have been accounted as short term leases.
Further, refer note 3.5 : Significant Accounting Policies for detailed measurement and recognition principles on Leases.
- b) On adoption of Ind AS-116, the Company has reclassified leasehold land having net block of ₹ 12.91 from property, plant and equipment to right of use assets. The said land was under finance lease arrangements as per Ind AS-17 for term of 99 years.
- c) The Company has entered into a fresh lease agreement w.e.f. August 2019 for factory land at Falta for five years to be renewed at the end of lease period. This has resulted in recognising right of use assets of ₹ 152.56 and a corresponding lease liability of the same amount.
The changes in the carrying value of right of use assets for the year ended 31st March, 2020 are disclosed in Note 6.
- d) In the statement of profit and loss for the current year, rent expenses which was earlier recognised under other expenses is now recognised as depreciation of right of use assets and interest on lease liabilities under finance cost. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share. The operating cash flows for the year ended 31st March, 2020 has increased by ₹ 22.76 and the financing cash flows have decreased by ₹ 22.76 as payment of lease liabilities.
- e) The weighted average incremental borrowing rate of 9% has been applied to lease liabilities recognised in the balance sheet.
- f) 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)).
- g) 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.
- h) The Company did not had any operating lease commitments as at 31st March, 2019. Accordingly, reconciliation between operating lease commitments as at 31st March, 2019 to lease liabilities as at 1st April, 2019 has not been given.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

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. Utkarsh Kanoria, Wholetime Director

Mr. Nawal Kishore Kejriwal, Wholetime Director

Mrs. Malati Kanoria, Non-executive Director

Mr. Navin Nayar, Independent Director

Mr. Padam Kumar Khaitan, Independent Director

Mr. Parag Keshar Bhattacharjee, Independent Director (retired on 31st March, 2019)

Mr. Sushil Kumar Dhandhanian, Independent Director

Mrs. Rashmi Prasad, Independent Director (appointed w.e.f. 1st April, 2019)

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

Cheviot International Limited (CIL)

Cheviot Agro Industries Private Limited (CAIPL)

Abhyadoot Finance and Investments Private Limited (AFIPL)

Bright & Shine Micro Products Private Limited (BSMPPL)

Khaitan & Company LLP

Jan Priya Trust

Shashvat Foundation

Cheviot 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, 2020

(₹ in Lakhs)

54.2 Transactions carried out during the year :

Transactions/Nature of Relationship	For the year ended 31st March, 2020				For the year ended 31st March, 2019							
	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
Sales of goods	-	-	-	0.11	-	0.11	-	-	-	0.07	-	0.07
CAPL	-	-	-	0.11	-	0.11	-	-	-	0.07	-	0.07
Rendering of services	0.48	-	-	2.40	-	2.88	0.48	-	-	5.40	-	5.88
CIL	-	-	-	0.60	-	0.60	-	-	-	3.60	-	3.60
CAPL	-	-	-	1.44	-	1.44	-	-	-	1.44	-	1.44
HPL	0.48	-	-	0.48	-	0.48	0.48	-	-	-	-	0.48
Others	-	-	-	0.36	-	0.36	-	-	-	0.36	-	0.36
Receiving of services*	-	723.38	-	8.40	-	731.78	-	685.16	-	-	-	685.16
Mr. Harsh Varadhan Kanoria	-	360.85	-	-	-	360.85	-	342.25	-	-	-	342.25
Mr. Utkarsh Kanoria	-	223.00	-	-	-	223.00	-	274.22	-	-	-	274.22
Mr. Navin Kishore Kejriwal	-	139.53	-	-	-	139.53	-	68.69	-	-	-	68.69
Khatian & Company LLP	-	-	-	8.40	-	8.40	-	-	-	-	-	-
Commission to non-executive/independent directors	-	25.00	-	-	-	25.00	-	25.00	-	-	-	25.00
Mrs. Malati Kanoria	-	5.00	-	-	-	5.00	-	5.00	-	-	-	5.00
Mr. Navin Nayyar	-	5.00	-	-	-	5.00	-	5.00	-	-	-	5.00
Mr. Padam Kumar Khaitan	-	5.00	-	-	-	5.00	-	5.00	-	-	-	5.00
Mr. Parag Keshar Bhattacherjee	-	-	-	-	-	-	-	5.00	-	-	-	5.00
Mr. Sushil Kumar Dhandhania	-	5.00	-	-	-	5.00	-	5.00	-	-	-	5.00
Mrs. Rashmi Prasad	-	5.00	-	-	-	5.00	-	5.00	-	-	-	5.00
Sitting fees paid to non-executive/independent directors	-	1.75	-	-	-	1.75	-	1.10	-	-	-	1.10
Mrs. Malati Kanoria	-	0.30	-	-	-	0.30	-	0.20	-	-	-	0.20
Mr. Navin Nayyar	-	0.35	-	-	-	0.35	-	0.25	-	-	-	0.25
Mr. Padam Kumar Khaitan	-	0.35	-	-	-	0.35	-	0.25	-	-	-	0.25
Mr. Parag Keshar Bhattacherjee	-	-	-	-	-	-	-	0.15	-	-	-	0.15
Mr. Sushil Kumar Dhandhania	-	0.40	-	-	-	0.40	-	0.25	-	-	-	0.25
Mrs. Rashmi Prasad	-	0.35	-	-	-	0.35	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

Statement of Profit and Loss

Statement of Changes in Equity

Statement of Cash Flow

Notes to the Financial Statements

Transactions/Nature of Relationship	For the year ended 31st March, 2020					For the year ended 31st March, 2019						
	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
Dividend paid	1,814.20	555.20	0.21	7.08	-	2,376.69	24.68	7.46	- [^]	0.10	-	32.24
HPL	1,814.20	-	-	-	-	1,814.20	24.68	-	-	-	-	24.68
Mr. Harsh Vardhan Kanoria	-	235.62	-	-	-	235.62	-	3.21	-	-	-	3.21
Mrs. Maati Kanoria	-	195.40	-	-	-	195.40	-	2.66	-	-	-	2.66
Mr. Utkarsh Kanoria	-	123.97	-	-	-	123.97	-	1.59	-	-	-	1.59
Others	-	0.21	0.21	7.08	-	7.50	-	- [^]	- [^]	0.10	-	0.10
Donation	-	-	-	-	-	-	-	-	-	525.00	-	525.00
Cheviot Foundation	-	-	-	-	-	-	-	-	-	450.00	-	450.00
Shashvat Foundation	-	-	-	-	-	-	-	-	-	75.00	-	75.00
CSR expenditure	-	-	-	64.86	-	64.86	-	-	-	94.25	-	94.25
Cheviot Foundation	-	-	-	64.86	-	64.86	-	-	-	94.25	-	94.25
Contributions made (including Employees' share and contribution)	-	-	-	-	612.96	612.96	-	-	-	-	520.03	520.03
Cheviot Company Limited Employees' Provident Fund	-	-	-	-	612.96	612.96	-	-	-	-	520.03	520.03
Outstanding against receiving of services	-	544.00	-	1.58	-	545.58	-	550.00	-	-	-	550.00
Mr. Harsh Vardhan Kanoria	-	324.00	-	-	-	324.00	-	279.00	-	-	-	279.00
Mr. Utkarsh Kanoria	-	190.00	-	-	-	190.00	-	241.00	-	-	-	241.00
Mr. Navai Kishore Kejriwal	-	30.00	-	-	-	30.00	-	30.00	-	-	-	30.00
Khaitan & Company, LLP	-	-	-	1.58	-	1.58	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

Transactions/Nature of Relationship	For the year ended 31st March, 2020						For the year ended 31st March, 2019					
	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
Outstanding against Commission to non-executive/ independent directors	-	22.50	-	-	-	22.50	-	22.50	-	-	-	22.50
Mrs. Malati Kanoria	-	4.50	-	-	-	4.50	-	4.50	-	-	-	4.50
Mr. Navin Nayar	-	4.50	-	-	-	4.50	-	4.50	-	-	-	4.50
Mr. Padam Kumar Khaitan	-	4.50	-	-	-	4.50	-	4.50	-	-	-	4.50
Mr. Parag Keshar Bhattacherjee	-	-	-	-	-	-	-	4.50	-	-	-	4.50
Mr. Sushil Kumar Dhandhania	-	4.50	-	-	-	4.50	-	4.50	-	-	-	4.50
Mrs. Rashmi Prasad	-	4.50	-	-	-	4.50	-	-	-	-	-	-
Outstanding against Post-employment benefit entities	-	-	-	-	47.88	47.88	-	-	-	-	61.69	61.69
Cheviot Company Limited Employees Provident Fund	-	-	-	-	47.88	47.88	-	-	-	-	61.69	61.69

* Includes commission paid to Mr. Harsh Vardhan Kanoria - ₹ 324.00 (F.Y. 2018-19 ₹ 279.00), Mr. Utkarsh Kanoria - ₹ 190.00 (F.Y. 2018-19 ₹ 241.00) and Mr. Nawal Kishore Kejriwal - ₹ 30.00 (F.Y. 2018-19 ₹ 30.00).

^ Amount below ₹ 500

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, 2020

(₹ in Lakhs)

54.3 Key Management Personnel Compensation:

Particulars	For the year ended 31st March 2020	For the year ended 31st March, 2019
Short-term employee benefits	667.61	677.41
Post-employment benefits	55.77	7.75
Long-term employee benefits	-	-
	723.38	685.16

55. PARTICULARS RELATING TO DIVIDEND PAID TO NON-RESIDENT SHAREHOLDERS

Particulars	For the year ended 31st March 2020	For the year ended 31st March, 2019
Final Dividend		
Number of non – resident shareholders	223	212
Number of shares held by them	54,222	45,112
Dividend relating to the year	2018-19	2017-18
Amount of dividend (₹)	0.54	0.45
Special Interim Dividend		
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 maximises 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 INSTRUMENT

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 asset, financial liability and equity instrument are disclosed in Note 3.11 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

57.1 Financial Asset and Liabilities (Non current and current)

Particulars	As at 31st March 2020			As at 31st March 2019		
	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
Financial assets						
Investments						
Equity instruments	-	131.24	-	-	0.32	-
Preference shares *	-	-	-	110.20	-	-
Mutual funds	14,644.61	-	-	21,547.89	-	-
Alternative investments funds	1,634.98	-	-	1,450.71	-	-
Government securities	-	-	2,625.87	-	-	-
Debentures and bonds	-	-	6,524.98	-	-	4,675.80
Loans	-	-	22.53	-	-	22.53
Trade receivables	-	-	3,420.00	-	-	3,186.07
Cash and cash equivalents	-	-	1,139.55	-	-	893.46
Other bank balances	-	-	987.17	-	-	838.78
Other financial assets						
Fixed deposits accounts with bank (maturity over 12 months)	-	-	1,798.85	-	-	266.66
Interest accrued on investments, fixed and security deposits	-	-	192.02	-	-	112.79
Other deposits, advances & receivables	-	-	88.00	-	-	93.53
Total financial assets	16,279.59	131.24	16,798.97	23,108.80	0.32	10,089.62
Financial liabilities						
Borrowings (including current maturities)	-	-	472.09	-	-	85.46
Lease liabilities	-	-	137.48	-	-	-
Trade payables	-	-	358.76	-	-	517.97
Other financial liabilities						
Long term maturities of finance lease obligations	-	-	-	-	-	0.03
Interest accrued but not due on borrowings	-	-	0.06	-	-	0.20
Unpaid dividends	-	-	118.65	-	-	66.31
Fractional bonus share proceeds unclaimed	-	-	0.82	-	-	1.27
Capital creditors	-	-	232.89	-	-	57.51
Employee related liabilities	-	-	1,142.00	-	-	1,239.45
Mark to market loss on forward contract	36.30	-	-	-	-	-
Security deposits and others	-	-	48.48	-	-	48.00
Total financial liabilities	36.30	-	2,511.23	-	-	2,016.20

* Investment in preference shares is net of impairment.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

The fair value of investments measured at amortised cost is as under:

Particulars	As at 31st March 2020		As at 31st March 2019	
	Amortised cost	Fair value	Amortised cost	Fair value
Preference shares *	-	-	-	-
Government securities	2,625.87	2,665.41	-	-
Debentures and bonds	6,524.98	7,423.31	4,675.80	5,342.64

* 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 maximise 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 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, 2020

(₹ in Lakhs)

Particulars	As at 31st March 2020			As at 31st March 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
(i) Measured at amortised cost						
Investments						
Preference shares *	-	-	-	-	-	-
Government securities	2,665.41	-	-	-	-	-
Debentures and bonds	-	7,423.31	-	-	5,342.64	-
Loans	-	-	22.53	-	-	22.53
Trade receivables	-	-	3,420.00	-	-	3,186.07
Cash and cash equivalents	-	-	1,139.55	-	-	893.46
Other bank balances	-	-	987.17	-	-	838.78
Other financial assets						
Fixed deposits accounts with bank (maturity over 12 months)	-	-	1,798.85	-	-	266.66
Interest accrued on investments, fixed and security deposits	-	-	192.02	-	-	112.79
Other deposits, advances & receivables	-	-	88.00	-	-	93.53
Subtotal	2,665.41	7,423.31	7,648.12	-	5,342.64	5,413.82
(ii) Measured at fair value through profit or loss						
Investments						
Preference shares	-	-	-	110.20	-	-
Mutual funds	14,644.61	-	-	21,547.89	-	-
Alternative investments funds	1,634.98	-	-	1,450.71	-	-
Subtotal	16,279.59	-	-	23,108.80	-	-
(iii) Measured at fair value through other comprehensive income						
Investments						
Equity instruments	130.92	-	0.32	-	-	0.32
Subtotal	130.92	-	0.32	-	-	0.32
Total financial assets	19,075.92	7,423.31	7,648.44	23,108.80	5,342.64	5,414.14
Financial liabilities						
(i) Measured at amortised cost						
Borrowings (including current maturities)	-	-	472.09	-	-	85.46
Lease liabilities	-	-	137.48	-	-	-
Trade payables	-	-	358.76	-	-	517.97
Other financial liabilities						
Long term maturities of finance lease obligations	-	-	-	-	-	0.03
Interest accrued but not due on borrowings	-	-	0.06	-	-	0.20
Unpaid dividends	-	-	118.65	-	-	66.31
Fractional bonus share proceeds unclaimed	-	-	0.82	-	-	1.27

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	As at 31st March 2020			As at 31st March 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Capital creditors	-	-	232.89	-	-	57.51
Employee related liabilities	-	-	1,142.00	-	-	1,239.45
Security deposits and others	-	-	48.48	-	-	48.00
Subtotal	-	-	2,511.23	-	-	2,016.20
(ii) Measured at fair value through profit or loss						
Other financial liabilities						
Mark to market loss on forward contract	-	36.30	-	-	-	-
Subtotal	-	36.30	-	-	-	-
Total financial liabilities	-	36.30	2,511.23	-	-	2,016.20

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 instrument 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 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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

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.

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
As at 31st March, 2020					
Derivative					
Mark to market loss on forward contract (Refer Note - 32)	-	36.30	-	-	36.30
	-	36.30	-	-	36.30
Non-derivative					
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
	535.91	1,670.92	21.09	283.31	2,511.23
As at 31st March, 2019					
Non-derivative					
Borrowings (including current maturities) (Refer Note - 23, 29 & 32)	-	14.91	14.90	55.65	85.46
Trade payables (Refer Note - 31)	-	517.97	-	-	517.97
Other financial liabilities (Refer Note - 25 & 32)	67.58	1,255.40	-	89.79	1,412.77
	67.58	1,788.28	14.90	145.44	2,016.20

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.

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for the year ended 31st March, 2020

(₹ in Lakhs)

a) Exposure to interest rate risk

Particulars	As at	As at
	31st March 2020	31st March 2019
Fixed rate instruments		
Financial assets	11,839.93	5,846.83
Financial liabilities	144.98	22.53
Variable rate instruments		
Financial assets	-	-
Financial liabilities	464.59	62.96

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 2020			As at 31st March 2019		
	Sensitivity	Impact on		Sensitivity	Impact on	
		Profit before tax	Other equity		Profit before tax	Other equity
Interest rate increase by	0.50%	(2.32)	(1.74)	0.50%	(0.31)	(0.20)
Interest rate decrease by	0.50%	2.32	1.74	0.50%	0.31	0.20

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 2020		As at 31st March 2019	
	USD / Euro	INR	USD / Euro	INR
Financial assets				
<i>Trade receivables</i>				
In USD	17,05,806	1,285.94	18,69,735	1,293.32
In EURO	-	-	2,15,422	167.39
<i>Other financial assets</i>				
In USD	5,18,317	390.74	6,92,854	479.26
In EURO	7,872	6.54	2,741	2.13
		1,683.22		1,942.10

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	As at 31st March 2020		As at 31st March 2019	
	USD / Euro	INR	USD / Euro	INR
Financial liabilities				
<i>Borrowings</i>				
In USD	-	-	-	-
<i>Trade payables and other liabilities</i>				
In USD	1,55,149	116.96	1,58,464	109.61
In EURO	8,254	6.86	4,913	3.82
		123.82		113.43
Net exposure in foreign currency (Financial assets - Financial liabilities)				
In USD	20,68,974	1,559.72	24,04,125	1,662.97
In EURO	(381)	(0.32)	2,13,250	165.70
		1,559.40		1,828.67

(II) Hedged Foreign Currency Exposure

Particulars	As at 31st March 2020		As at 31st March 2019	
	USD / Euro	INR	USD / Euro	INR
Derivative assets				
<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	-	-	-	-
		1,130.79		-
Derivative liabilities				
<i>Forward contract - against payable</i>	-	-	-	-
<i>Forward contract - against Firm commitments</i>	-	-	-	-
		-		-
Net exposure in foreign currency (Financial assets - Financial liabilities)				
In USD	15,00,000	1,130.79	-	-
In EURO	-	-	-	-
		1,130.79		-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2020

(₹ 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 2020			As at 31st March 2019		
	Sensitivity	Impact on		Sensitivity	Impact on	
		Profit before tax	Other equity		Profit before tax	Other equity
USD Sensitivity - Increase	5.00%	77.99	58.36	5.00%	83.15	54.09
USD Sensitivity - (Decrease)	5.00%	(77.99)	(58.36)	5.00%	(83.15)	(54.09)
EURO Sensitivity - Increase	5.00%	(0.02)	(0.01)	5.00%	8.29	5.39
EURO Sensitivity - (Decrease)	5.00%	0.02	0.01	5.00%	(8.29)	(5.39)

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 2020	As at 31st March 2019
Measured at FVTPL		
Investment in preference shares	-	110.20
Investment in mutual funds	14,644.61	21,547.89
Investment in alternative investment funds	1,634.98	1,450.71
	16,279.59	23,108.80
Measured at FVTOCI		
Investment in equity instruments	131.24	0.32
	131.24	0.32
Total	16,410.83	23,109.12

* Investment in preference shares is net of impairment.

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 2020				As at 31st March 2019			
	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%	813.98	6.56	614.03	5.00%	1,155.44	0.02	751.70
Market rate decrease by	5.00%	(813.98)	(6.56)	(614.03)	5.00%	(1,155.44)	(0.02)	(751.70)

- 58.** In view of the nationwide lockdown declared by the Government to prevent the spread of Covid-19 pandemic, the operations at Budge Budge unit was under complete shut down from 23rd March, 2020 to 2nd May, 2020. The Falta SEZ unit was under complete shut down from 23rd March, 2020 to 21st April, 2020. The Company had gradually resumed operations at very low capacity as per the Government permission. In determining the impact of Covid-19 pandemic on various elements of it's financial statements, the management has used the principles of prudence in applying judgements, 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. As regards the Company's liquidity position, there is no material uncertainty in meeting it's liabilities in the foreseeable future. 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.
- 59.** Previous year's figures have been reclassified/regrouped to conform the current year's presentation.

The notes are 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
Dated the 5th day of June, 2020

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)*



A glimpse of the Budge Budge Plant, West Bengal



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Cheviot**

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