



**Group
Cheviot**

CHEVIOT COMPANY LIMITED

CIN: L65993WB1897PLC001409

Registered & Administrative Office

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

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Ref: CCL/SHARE/

Date: 9/11/2016

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

Ref: Code No. 526817

Dear Sir,

Re: Outcome of the Board Meeting held on 9th November, 2016- Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with Securities and Exchange Board of India Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015.

Subject: Scheme of Amalgamation of Harsh Investments Private Limited (Transferor Company) with Cheviot Company Limited (Transferee Company) under Sections 391 to 394 of the Companies Act, 1956 and the corresponding provisions of the Companies Act, 2013 as applicable.

With regard to the captioned subject, we hereby inform that the Board of Directors of the Company, at its meeting held on 9th November, 2016 have approved the Scheme of Amalgamation of Harsh Investments Private Limited (Transferor Company) with Cheviot Company Limited (Transferee Company) and their respective shareholders under Sections 391 to 394 of the Companies Act, 1956 and the corresponding provisions of the Companies Act, 2013 as applicable. The Scheme is subject to the approval of SEBI, Hon'ble High Court at Calcutta, the shareholders and all other regulatory authority as may be necessary.

The detailed disclosure in respect of the aforesaid Scheme of Amalgamation as required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Securities and Exchange Board of India Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015 is enclosed and marked as **Annexure A**.

Please keep the members of the exchange informed.

Thanking You,
Yours faithfully,
For Cheviot Company Limited


Aditya Banerjee
Company Secretary

Encl. as stated above

Annexure A

- a) Name of the entities forming part of the amalgamation, details in brief such as size, turnover, etc.

Name of the entities	Harsh Investments Private Limited (Transferor Company)	Cheviot Company Limited (Transferee Company)
Total Revenue from operations (Gross) as on 31 st March, 2016	₹ 8,23,231/-	₹ 3,45,33,22,426/-
Net worth as on 31 st March, 2016 *	₹ 13,57,72,311/-	₹ 3,17,40,41,839/-

* Net Worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

- b) Whether the transaction would fall within related party transactions? If yes, whether the same is done at arm's length.

Harsh Investments Private Limited (the Transferor Company) is the holding company of Cheviot Company Limited (the Transferee Company) pursuant to the provisions of Section 2(46) of the Companies Act, 2013. Post-merger, all the shareholders of the Transferor Company would be issued shares of the Transferee Company based on the valuation report obtained from Independent Chartered Accountant, M/s G.P. Agrawal & Co. and fairness opinion provided by M/s VC Corporate Advisors Private Limited, Category I Merchant banker.

Also, MCA vide its circular no. 30/2014 dated 17th July 2014, has clarified that transaction arising out of compromise, arrangement and amalgamations dealt with specific provisions of the Companies Act 1956/2013, would not attract requirements of section 188 of the Companies Act 2013.

- c) Area of business of the entities

Harsh Investments Private Limited (having CIN U28993WB1971PTC028158), a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Magma House (9th floor), 24, Park Street, Kolkata 700 016 is a Non-Banking Financial Company registered with Reserve Bank of India bearing registration no. B.05.05232 dated 10.07.2003 with an object to carry on, as its principal business, the business of Investment Company to invest in shares and securities.

For CHEVIOT COMPANY LIMITED

 Company Secretary



Contd.... (2)

Cheviot Company Limited (CCL) (having CIN L65993WB1897PLC001409), a company incorporated under the provisions of the Indian Companies Act, 1882 and having its registered office at Magma House (9th floor), 24, Park Street, Kolkata 700 016, is primarily engaged in manufacturing and sale of jute goods. The manufacturing plants of CCL are located at Budge-Budge and Falta in West Bengal. The shares of CCL are listed on the BSE Limited only.

d) Rationale for amalgamation

- 1) Harsh Investments Private Limited (the Transferor Company) holds 57.06% shares in the share capital of the Cheviot Company Limited (the Transferee Company). The registered offices of both, the Transferor Company and the Transferee Company are situated at the same place.
- 2) The amalgamation will result in the promoter group of the Transferor Company directly holding shares in the Transferee Company, leading to simplification of the shareholding structure and reduction of shareholding tier.
- 3) The amalgamation would result in more effective utilization of resources of both the Transferor Company and the Transferee Company, including pooling of financial resources of the Transferor Company with the Transferee Company, leading to more effective and centralised management of funds, greater economies of scale and reduction in administrative and manpower expenses and overheads, which are presently being multiplied, being separate entities.
- 4) For the better and more economic and efficient management, control and running of the businesses of the companies concerned, it is considered desirable and expedient to amalgamate the Transferor Company with the Transferee Company in the manner and on the terms and conditions stated in the Scheme of Amalgamation.

e) In case of cash consideration- amount or otherwise share exchange ratio

There is no cash consideration. The share exchange ratio based on valuation report of Independent Chartered Accountant, M/s G.P. Agrawal & Co. and fairness opinion provided by M/s VC Corporate Advisors Private Limited, Category I Merchant banker is as follows:

“17 (Seventeen) ordinary shares of the face value of Rs.10 (Rupees Ten Only) each credited as fully paid up share of Cheviot Company Limited (the Transferee Company) to the Equity Shareholders of Harsh Investments Private Limited (the Transferor Company) for every 1 (One) equity share of the face value of Rs. 10 (Rupees Ten Only) each fully paid up and held by such shareholders in the Transferor Company and whose names are recorded in the Register of Members as on the Record Date.”

For CHEVIOT COMPANY LIMITED


Company Secretary



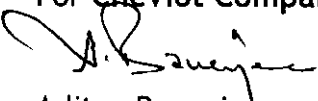
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f) Brief details of change in shareholding pattern (if any) of listed entity

Existing shareholding of Cheviot Company Limited (The Transferee Company)	Post-merger likely shareholding of Cheviot Company Limited (The Transferee Company) (Refer Note Below)
Promoters: 74.9972%	Promoters: 77.5587%
Public: 25.0028%	Public: 22.4413%

Note: The scheme of amalgamation provides a clause for retention of minimum public shareholding of the transferee company under securities contracts (regulation) rules, 1957 post amalgamation. The Promoters of the Transferee Company holding around 74.9972% shares in the Transferee Company. By reason of the proposed amalgamation, the shareholding percentage of the Promoters is likely to exceed 75% of the total paid up capital of the Transferee Company, and accordingly, in terms of Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Rule 19A (2) of the Securities Contract (Regulation) Rules, 1957, the Scheme is subject to the Promoters bringing down their existing shareholding in the Transferee Company to a percentage such that upon the Scheme becoming effective, the public shareholding in the Transferee Company does not fall below the minimum public shareholding requirement of 25%. The disposal of the shares by the Promoters shall be made forthwith upon sanction of the Scheme but prior to the same becoming effective or as may be directed by any regulatory body while according their approval for the scheme. The sale of the shares by the Promoters in the Transferee Company shall be made online on the terminal of Bombay Stock Exchange through a registered stock broker.

For Cheviot Company Limited


Aditya Banerjee
Company Secretary

