

A sustainable business philosophy

125 YEARS



CHEVIOT
SINCE 1897

Cheviot Company Limited

Annual Report 2022-23





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Cheviot is a company with a conscience.



A green philosophy that will pave the way for sustainable growth of the company.

“It was our ability to transform and seize opportunities, our fair and ethical business practices and ability to diversify that kept us going!”

What were some of the highlights of the Company's performance in 2022-23?

The biggest highlight of the year under review was that of sustainable development. Prudent integration of the economic, environmental and social aspects of sustainability represents the key to the company's long-term profitability. Sustainability is all about balance and integration. Integration of the competing demands of economic, social and environmental aspects of our actions and balance of short-term needs with long-term development. Sustainable development is manifested through applying sustainability thinking to the everyday choices we make, ensuring that it is an integral part of our strategic thinking and implementation. So, while we made a foray into value-added products to mitigate raw material price fluctuations, we reduced our carbon footprint with our plant modernisation that makes all our operational practices eco-friendly and sustainable in the long-run. We consistently believe that making a difference to the Earth and functioning in harmony with the environment will make a positive impact on our business across the foreseeable future.

Moreover, in terms of economic sustainability, these were our fundamental highlights for the year under review:

- Strong internal controls and assessment techniques to improve product quality.
- Enhancing the shareholder value over time with a 3X increase in the top line growth over the last decade.
- Low debt exposure and consistent credit rating over the past decade. Working Capital Cycle is mostly funded by internal accruals.

How is the jute industry placed at the moment?

The jute sector plays a crucial role in the Indian economy, particularly in Eastern India, by providing direct and indirect employment opportunities and generating export revenue. India is the world's largest producer of jute, which is also known as golden fibre.

Key players in the industry have invested in modern looms and product diversification, while a majority of the mills still use obsolete and labour-intensive plant and machinery, which hampers the quality and quantity of production.



The jute industry is grappling with shrinking acreage, excessive dependence on government orders, competition from Bangladesh, and a lack of modernisation and diversification. Additionally, the industry has been influenced by government policies in key areas over the years.

Jute fibre is eco-friendly as it is fully bio-degradable and recyclable. Its strength, versatility and highly spin-able appeal, is likely to attract more attention of the user industries in the long-term due to concerns over usage of synthetic products. With increasing awareness about the adverse effect of synthetic packaging material to the environment, the demand of jute goods is poised to grow both domestically and internationally. Demand for environmentally friendly products augurs well for value-added JDPs like jute geotextile, horticultural products and lifestyle products like jute shopping bags, floor coverings and apparels.

What is the future strategy and optimism for the company going forward?

We have chalked out the following strategies to generate revenue growth in 2023-24:

- Widen our international presence and improve our exports
- Increase the production of value-added products to strengthen margins
- Increasingly commission newer technologies to aid value-added production and enhance productivity
- Intensify R&D so as to meet critical global requirements of food processing and FMCG industries



Our Vision

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



Our Credentials

Cheviot Company Limited, the flagship company of Group Cheviot, rests on the pillars of integrity, perseverance, technology, innovation, and precision. Upholding these values, Cheviot has established itself as one of the premier Jute conglomerates of the world. Today, it manufactures high quality precision jute yarn, fabrics, sacks and customised products such as geotextiles, food grade bags and technical textiles for the domestic and international markets. Cheviot strives to provide sustainable alternatives through the processing of the eco-friendly and highly versatile golden fibre. Cheviot produces 50+ million jute bags per year that are solely used for food grain packaging by the Government of India.





Our Plants

The company has two state-of-the-art manufacturing units which are equipped with the latest technology and superior processes of manufacture, near Kolkata, West Bengal, India.



Budge-Budge Plant

A composite Jute Mill with over 4,000 employees, and with a daily manufacturing capacity of 160 Metric tons where raw jute is processed into finished yarns and fabrics through extensive and meticulous manufacturing processes.



Falta Special Economic Zone Plant

A specialty weaving unit situated at the Falta special economic zone manufacturing superior fabrics and geotextiles exclusively for export. Here we have over 100 Automatic Sulzer Looms which provide a near perfect weave and high quality fabrics.





Our Customers

Our company has an export presence in several countries including Belgium, Netherlands, Germany, Italy, USA, Saudi Arabia, Turkey, Japan and Indonesia. The domestic sales primarily consists of Government of India procurement of sacks for packaging of food grains along with local demand for fabrics, bags, and other specialised products.



Our Certifications

Quality assurance is the key preoccupation at the company and has been the hallmark for Cheviot products. The Company is accredited with the following certifications:

- IS/ISO 9001:2015 - Quality Management System
- IS/ISO 14001:2015 - Environmental Management System
- IS/ISO 45001:2018 - Occupational Health and Safety Management Systems
- Granted THREE STAR EXPORT HOUSE status by the Ministry of Commerce and Industry, Government of India
- The Silver Export Award 2017-18 for conventional jute products and jute diversified products from the Ministry of Textiles, Government of India



Our Presence

- We are listed on BSE Limited (Scrip Code 526817) and National Stock Exchange of India Limited (Symbol "Cheviot")
- We enjoyed ₹ 594 crore market capitalisation as on 31 March 2023
- Our promoters' stake was 74.83% as on 31 March 2023

No. 1
exporter of jute yarn

68 mn USD
turnover in 2022-23

24 mn USD
export turnover in 2022-23

15,304
spindles

4,139
employees on roll



Planet-friendly

A sustainable business philosophy.



In the present scenario, the growing concerns among the people globally against the use of synthetic polymers, toxin liberating substances and non-biodegradable products, because of their hazardous after effects on environment and human health, re-established the needs of natural fibres to our society in terms of packaging and daily use products.

At Cheviot, we care for the environment in which we operate. Our initiatives are our proactive 'green' concern opposed to a reactive damage control.

We substituted coal with jute biomass residue (caddies) in the steam generating boiler at our plant premises. This leads to reduction in carbon dioxide emissions by the avoidance of fossil fuel emissions using jute caddies that are carbon neutral on account of their biogenic source. The company is governed by a GO GREEN policy. The entire fibre residue generated in the Jute process lines are collected, reprocessed and made into jute products consumed in-house.

Some of our other environment-friendly initiatives include:

We strongly believe in a circular and sustainable economy. As a step in this direction we recycle 100% of our wastes.

In 2022, we replaced Furnace Oil Boiler at Falta plant with a new LPG Boiler, drastically reducing emissions.

We have reduced energy consumption per MT by 12% in the last 5 years.

In 2023 we upgraded our Boiler at Budge Budge, adding a bag filter system to arrest micro dust

Adaptation of modern infrastructure and advanced technology to improve productivity

We are consistently aiming to eliminate waste or emission discharge in the production process.

We emphasize reducing freshwater intake and recycling of water for Jute cultivation.

Continuously adopting initiatives to enhance greenery within the Factory with an aim to reduce pollution levels.



CSR initiatives

A sustainable business philosophy.



At Cheviot, the company astutely believes in giving back to the community and trusts that social responsibility is a chartered mandate. The company reaffirms its sustainable philosophy of business by giving back where it receives.



Restoration of School Building and facilities at Budge Budge Uchcha Balika Vidyalaya (H.S.) at Budge Budge



Creating infrastructure for auditorium Hall and facilities at Manuel Girls' High School at Budge Budge



Sanitisation Programme - Refuse Trolley for waste management provided to Budge Budge Municipality



Distribution of Indian National Flag to local residents on 75th Independence Day of India



Medical equipment contributed for treatment of underprivileged cancer patients at Tata Medical Centre Trust



Training young sportspersons representing India at various nationally recognised sports



Medical treatment of children at Kanoria Child Care Rehabilitation Centre



Cheviot prioritizes corporate social responsibility, creating tangible positive impact on social and environmental sustainability through dedicated initiatives. The company was committed to using its resources for the greater good and made humble contributions towards improving the lives of underprivileged communities. The company's initiatives to address various social issues under CSR programme are reflected in the CSR projects approved by the Board as disclosed on the corporate website www.cheviotgroup.com.



Ten years Financial Highlights

(₹ in Lakhs unless otherwise stated)

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 ₹
31-03-14	451	32,818	33,269	27,843	1,042	2,680	39.61	491.65	10.00
31-03-15	451	35,243	35,694	26,700	749	3,458	51.10	527.49	11.33
31-03-16	451	41,358	41,809	34,304	1,453	3,647	53.90	617.85	11.33
31-03-17 #	451	47,005	47,456	39,354	1,465	4,948	73.12	701.31	0.67
31-03-18 #	431	49,608	50,039	37,612	1,948	5,408	82.43	773.78	0.67
31-03-19 #	647	60,539	61,186	39,456	2,155	5,018	77.59	946.14	1.00
31-03-20 #	647	61,670	62,317	45,805	1,505	4,812	74.41	963.63	48.00
31-03-21 #	627	67,590	68,217	39,576	1,577	7,572	118.43	1,088.54	175.00
31-03-22 #	602	54,698	55,300	57,113	2,382	7,935	127.40	919.08	60.00
31-03-23 #	602	56,679	57,281	56,359	1,795	5,446	90.51	952.00	27.00

* Share capital includes amount forfeited amounting to ₹ 0.35.

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

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

@ To facilitate like to like comparison, adjusted for 1:2 bonus issue during financial year 2018-2019.

^ Current tax expense includes current tax shown in other comprehensive income but excludes income tax related to earlier years.

Corporate information

BOARD OF DIRECTORS

MR. HARSH VARDHAN KANORIA	DIN 00060259	Chairman and Managing Director, Chief Executive Officer
MR. UTKARSH KANORIA	DIN 06950837	Wholetime Director
MR. NAVIN NAYAR	DIN 00136057	Non-Executive, Independent Director
MR. PADAM KUMAR KHAITAN	DIN 00019700	Non-Executive, Independent Director
MRS. RASHMI PRASHAD	DIN 00699317	Non-Executive, Independent Director
MR. SUSHIL KUMAR DHANDHANIA	DIN 00181159	Non-Executive, Independent Director
MRS. MALATI KANORIA	DIN 00253241	Non-Executive, Non-Independent Director
MR. ABHISHEK MURARKA	DIN 00118310	Wholetime Director [appointed w.e.f. 25th May, 2023]

SENIOR MANAGEMENT

MR. DEBDAS MAZUMDAR

CHIEF FINANCIAL OFFICER

MR. MADHUP KUMAR PATNI

COMPANY SECRETARY AND COMPLIANCE OFFICER

MR. ADITYA BANERJEE

REGISTERED OFFICE

24, PARK STREET,
CELICA HOUSE, 9TH FLOOR, CELICA PARK
KOLKATA PIN 700 016, WEST BENGAL

BOARDLINE

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E-MAIL ID

cheviot@chevjute.com
investorservices@chevjute.com

WEBSITE

www.cheviotgroup.com

CIN

L65993WB1897PLC001409

BANKER

AXIS BANK LIMITED

AUDITORS

STATUTORY AUDITORS

SINGHI & CO. CHARTERED ACCOUNTANTS

INTERNAL AUDITORS

G.P. AGRAWAL & CO. CHARTERED ACCOUNTANTS

SECRETARIAL AUDITORS

M R & ASSOCIATES. COMPANY SECRETARIES

COST AUDITORS

D. RADHAKRISHNAN & CO. COST ACCOUNTANTS

REGISTRAR AND SHARE TRANSFER AGENT

MAHESHWARI DATAMATICS PRIVATE LIMITED

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

PHONE: (033) 2248 2248 / 2243 5029

E-MAIL ID: mdpldc@yahoo.com

WEBSITE: <https://www.mdpl.in>

PLANTS LOCATION

BUDGE BUDGE UNIT

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

FALTA UNIT

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

BOARD'S REPORT

(₹ in Lakhs)

Dear Members,

Your directors take pleasure in presenting the annual report of the Company together with the audited financial statements for the year ended 31st March, 2023.

1. FINANCIAL SUMMARY OR HIGHLIGHTS

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Revenue from operations	56,358.84	57,113.07
Operating profit after depreciation and amortisation	6,074.29	7,930.02
Add: Other income	1,072.16	2,250.22
Profit before tax	7,146.45	10,180.24
Tax expense	1,700.33	2,245.37
Profit for the year	5,446.12	7,934.87

2. DIVIDEND

The Board of Directors have recommended a final dividend of ₹ 27/- per ordinary share on 60,16,875 ordinary shares of face value of ₹ 10/- each (270%), amounting to ₹ 1,624.56 for the year ended 31st March, 2023 (P.Y. ₹ 60/- per ordinary shares on 60,16,875 ordinary shares of face value of ₹ 10/- each (600%), amounting to ₹ 3,610.13).

3. TRANSFER TO RESERVE

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

4. OPERATIONS AND STATE OF COMPANY'S AFFAIRS

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

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Revenue from operations	56,358.84	57,113.07
Export sales (C.I.F. value)	19,340.06	23,548.04
Operating profit	6,074.29	7,930.02
Other income	1,072.16	2,250.22
Profit before tax	7,146.45	10,180.24
Tax expense	1,700.33	2,245.37
Profit for the year	5,446.12	7,934.87
Earnings per share (EPS) of face value of ₹ 10/- (In ₹)	90.51	127.40

During the year under review, there was a substantial improvement in capacity utilisation. Domestic markets were buoyant but exports suffered both in profitability and in volumes due to the impact of the Russia-Ukraine war and resultant effects on European and other developed markets. This is reflected in the export figures.

Raw Jute crop improved significantly thereby dampening the Raw Jute prices to a huge extent. The quality of raw jute was poor and this resulted in higher premium for quality jute.

Other operating revenues have declined due to less export benefits. Other income was impacted by lower return on existing investments due to interest rate surge and decrease in average investments due to pay-out of large dividends in earlier years.

The new weaving unit, commissioned within the Jute Mill located at Budge Budge, has commenced commercial production from Saturday, 11th March, 2023 with dedicated Sulzer looms for production of high-quality jute fabric and diversified jute products.

BOARD'S REPORT (Contd..)

(₹ in Lakhs)

5. MANAGEMENT DISCUSSION AND ANALYSIS

a) Industry structure and developments

There was a good harvest of Raw Jute and the prices prevailed for the year at very beneficial levels.

Domestic markets were buoyant and there was a sharp increase in production and capacity utilisation for the Jute Industry. Expectation of such bulk buying for foodgrains by the Government of India shall continue.

Valued added sectors have suffered as a result of poor demand both domestically and in overseas market. Mills with traditional jute products have performed better in such scenario.

There was a sharp increase in wage cost due to increase in Dearness Allowance during the year under review.

b) Opportunities and threats

Opportunities

- Full support extended by the Government of India for eco-friendly products and continuation of 100% reservation norms for using Jute Bags for foodgrain packaging.
- Growth in the Jute Industry due to better demands and viability.

Threats

- Shortage of workers for the Jute Industry is a concern.
- Raw Jute forms the major portion of the conversion costs and with inflation there has been sharp increases in cost of Raw Jute which needs to be absorbed by the Jute Industry.
- Prosperity in the Jute Industry may lead to further wage increases and cost increases in future years.
- Global economic crisis looming large may affect the overseas market for Jute Industry.

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, 2023			For the year ended 31st March, 2022		
	Within India	Overseas	Total	Within India	Overseas	Total
Revenue	36,658.87	19,340.06	55,998.93	32,617.52	23,548.04	56,165.56
Non-current assets other than financial instruments *	21,024.30	-	21,024.30	18,826.24	-	18,826.24

* 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, intangible assets under development, non-current tax assets (net) and other non-current assets.

d) Outlook

We are affected by the world economic situation in our segments of exports. Profits have reduced but we are now optimistic on the future outlook. We feel the worst is behind us.

e) Risks and concerns

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

- Long term interest of the farmers in jute cultivation is at risk due to the hard manual work involved which the younger generation are not keen to get involved in.
- New generation workers and supervisors are looking for more modern sectors than Jute. This is creating a vacuum for skilled Jute mill workers.
- Lack of modernisation of the Jute Industry and inadequate new technologies for the Jute Sector.
- In the unorganised sector, small units have been setting up in the last 2-3 years. They are operating with lower wages and costs. Further increase is expected in this sector which may lead to unequal competition.

BOARD'S REPORT (Contd..)

(₹ in Lakhs)

f) Internal control systems and their adequacy

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

The Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2023, based on the essential components of internal controls over financial reporting criteria established by the Company.

g) Discussion on financial performance with respect to operational performance

The following are the significant areas of financial performance:

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022	% Increase/ (Decrease)
Revenue from operations	56,358.84	57,113.07	(1.32)%
C.I.F. value of export sales	19,340.06	23,548.04	(17.87)%
Finance cost	34.04	42.57	(20.04)%
Inventories	10,032.18	8,769.83	14.39%
Purchase of property, plant and equipment and other intangible assets (including changes in capital work-in-progress, capital advances/creditors)	2,412.05	1,046.35	130.52%

Due to lower Raw Jute rates and consequent finished goods prices, the revenue, though similar to last year in value terms, represents a substantial increase in production quantity. Exports were impacted as explained above. Capex includes expenditure on new weaving unit commissioned during the year under review.

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

Industrial relations remained cordial during the year under review. There is shortage of new entrants in the Jute Industry. The Company 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, 2023, there were 4,139 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 thereof

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022	% Change
Debt-Equity Ratio	0.01	0.02	(50.00)%
Net Profit Margin (%)	9.66%	13.89%	(30.45)%

The debt-equity ratio has reduced due to decrease in both long-term and short-term borrowings. The bottom line was impacted by lower profitability in exports and lower return on investments reflected in other income. Please refer to Note 56 to the financial statements for the financial year ended 31st March, 2023 for more details on Financial Ratios.

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

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Return on Net Worth	12.50%	17.20%

Return on net worth had dropped as an impact of lower profits due to trading conditions and lower return on Investments.

k) Cautionary statement

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

BOARD'S REPORT (Contd..)

(₹ in Lakhs)

6. SHARE CAPITAL

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

The issued, subscribed and fully paid up ordinary share capital of the Company as at 31st March, 2023 stood at ₹ 602.04 consisting of 60,16,875 fully paid up ordinary shares of ₹ 10/- each (including ₹ 0.35 being the amount originally paid up on 7,000 ordinary shares not fully paid-up and forfeited).

The shares of Cheviot Company Limited are listed on BSE Limited and National Stock Exchange of India Limited (w.e.f. 20th June, 2022). The Company has paid the Annual Listing Fees for the financial year 2023–24 to the stock exchanges. The shares of the Company are tradeable in dematerialised form and can be held in electronic form with any depositories under ISIN: INE974B01016.

During the year under review, the Company has neither issued shares with differential rights as to dividend, voting or otherwise nor issued shares (including sweat equity shares) to employees of the Company under any scheme.

7. CORPORATE GOVERNANCE

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

8. ANNUAL RETURN

The Annual Return of the Company is available on the website of the Company (Click on web-link: <https://www.cheviotgroup.com/investors/>).

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of investments made by the Company have been disclosed in Note 9 and Note 14 to the financial statements for the financial year ended 31st March, 2023. The Company has not given any loan or guarantee during the year.

10. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

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

11. CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year under review, your Company has spent ₹ 139.81 on CSR which is more than 2% of the average net profits of last three financial years computed as per Section 135 read with Section 198 of the Companies Act, 2013. CSR programs were oriented toward various activities to support education, healthcare, promote nationally recognised sport and for the benefit of armed force dependents.

The annual report on CSR activities, in terms of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, is provided in **Annexure-II** forming part of this report.

The details of composition of CSR Committee is given below:

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

The composition of CSR Committee, CSR Policy and CSR Projects approved by the Board of Directors are available on the website of the Company (Click on web-link: <https://www.cheviotgroup.com/investors/>).

12. ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

BOARD'S REPORT (Contd..)

13. ANNUAL PERFORMANCE EVALUATION

During the year under review, the Board of Directors made internal evaluation of performance of its own, its committees and individual directors based on criteria laid down by the nomination and remuneration committee and expressed their satisfaction with the evaluation process and the performance of the Board as a whole, its committees, and individual directors including Independent Directors, was found to be satisfactory. The nomination and remuneration committee had carried out annual performance evaluation of individual directors and the independent directors at their separate meeting had evaluated the performance of the chairman and managing director, other non-independent directors and the Board as a whole.

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

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

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

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

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

The remuneration policy and criteria for determining qualifications, positive attributes and independence of a director are available at the website of the Company (Click on web-link: <https://www.cheviotgroup.com/investors/>).

15. NUMBER OF MEETINGS OF THE BOARD

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

16. COMPOSITION OF AUDIT COMMITTEE

The Board of Directors have constituted the audit committee with three directors as members. All members of audit committee are financially literate and Mr. Navin Nayar, Chairman of the audit committee, is a qualified Chartered Accountant having accounting and financial management expertise. Two-third of the members of audit committee are independent directors. More details on the composition of audit committee are given in the report on corporate governance. The Board of Directors have accepted all the recommendations of the audit committee during the year under review.

17. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 was not applicable to the Company during the year under review, based on the market capitalisation.

18. PARTICULARS OF REMUNERATION

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

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

BOARD'S REPORT (Contd..)

19. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of sub-section 3 read with sub-section 5 of Section 134 of the Companies Act, 2013, the directors hereby state to the best of their 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; and
- (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.

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

There has been no material change and commitment affecting the financial position of the Company between the end of the financial year and date of this report.

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

The information on conservation of energy, technology absorption and 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, are provided in **Annexure-IV** forming part of this report.

22. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

No company has become or ceased to be the Company's subsidiary, joint venture or associate company during the year. The Company does not have any subsidiary, joint venture or associate company as on 31st March, 2023.

23. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Board of Directors have formulated a policy on materiality of related party transactions and on dealing with related party transactions which has been disclosed on the website of the Company. All transactions entered into with related parties as defined under the Companies Act, 2013 read with Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the year, were in the ordinary course of business and at arm's-length price.

There was no material related party transaction or material modification(s) in related party transactions entered into by the Company with its promoters, directors, key managerial personnel or other related parties which may have potential conflict with the interest of the Company at large or which warrants the approval of the members. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable to the Company for the financial year ended 31st March, 2023 and hence does not form part of this report.

In compliance with IND AS-24, details of all related party transactions entered into by the Company are disclosed in Note 53 to the financial statements for the financial year ended 31st March, 2023. All related party transactions were placed before the audit committee for prior approval and reviewed on a quarterly basis.

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

No significant and/or material order was passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future. Details of contingent liabilities and commitments (to the extent not provided for) are disclosed in Note 45 to the financial statements for the financial year ended 31st March, 2023.

BOARD'S REPORT (Contd..)

(₹ in Lakhs)

25. DIRECTORS

Mr. Utkarsh Kanoria, aged 31 years, (holding DIN 06950837) shall retire by rotation at the ensuing annual general meeting and, being eligible, offers himself for re-appointment. The nomination and remuneration committee have recommended for his re-appointment for which appropriate resolution has been included at Item No 3 of the Notice convening the 125th annual general meeting. The Board recommends passing of the same.

Mr. Abhishek Murarka, aged 46 years, (holding DIN 00118310) (Mr. Murarka) who has been associated with the Company since 8th October, 2010 and holding the position of Chief General Manager was appointed as an additional director on 25th May, 2023 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with Article 131 of the Articles of Association of the Company and holds office up to the date of the ensuing annual general meeting. His candidature has been proposed by a member for the office of director of the Company, whose office shall be liable to determination by retirement of directors by rotation. Moreover, the Board of Directors have also appointed Mr. Murarka as Wholetime Director of the Company with effect from 25th May, 2023, subject to approval of the members.

The appointment of Mr. Murarka is subject to approval of the members at the ensuing annual general meeting for which appropriate resolutions have been included at Item No 4 and 5 of the notice convening the 125th annual general meeting. The Board recommends passing of the same.

The directors seeking appointment/re-appointment are not disqualified from being appointed as director in terms of Section 164 of the Companies Act, 2013 and have given their consent to act as directors, if appointed. The information about the directors seeking appointment/re-appointment as required under Section 196 of the Companies Act, 2013, Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2") have been given in the notice convening the 125th 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 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

26. KEY MANAGERIAL PERSONNEL

During the year under review, all the Key Managerial Personnel continue to hold their offices. Mr. Abhishek Murarka (holding DIN 00118310) has been appointed as a Wholetime Director for a term of five years w.e.f. 25th May, 2023, subject to the approval of the members at the ensuing annual general meeting.

27. 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), the amount of dividend which remains unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account shall be transferred by the Company to the IEPF Authority (IEPF) established by the Government of India. Further, the shares on which dividend has not been paid or claimed by the members for seven consecutive years or more shall be transferred to the demat account of the IEPF.

Accordingly, the Company has transferred ₹ 13.38 lying in the unpaid dividend account for the financial year 2014-15 to the bank account of IEPF on 26th September, 2022 and 4,361 ordinary shares on which dividend have not been paid or claimed by the members for seven consecutive years or more were transferred to the IEPF by 19th October, 2022.

Further, the Company has also transferred ₹ 13.18 lying in the unpaid interim dividend account for the financial year 2015-16 to the bank account of IEPF on 24th April, 2023 and 2,311 ordinary shares on which dividend have not been paid or claimed by the members for seven consecutive years or more were transferred to the IEPF by 15th May, 2023. The DPID/CLID/folio-wise details of unpaid dividend and shares transferred to the IEPF are available on the website of the Company (Click on web-link: <https://www.cheviotgroup.com/investors/>).

BOARD'S REPORT (Contd..)

28. PUBLIC DEPOSITS

Your Company has not accepted any deposit from the public within the meaning of Section 73 of the Companies Act, 2013 read with Rules framed thereunder. Further, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet. There is no deposit held by the Company which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

29. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENT

The Board of Directors had laid down internal financial controls for preparation of reliable financial statement. The measures taken 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 timely preparation of reliable financial information were found to be adequate and operating effectively. The audit committee and the auditors periodically improvises the internal financial control system. The financial records maintained in electronic mode were found to have a proper system for storage, retrieval, display or printout of the electronic records and remain accessible in India at all times.

30. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

31. STATUTORY AUDITORS

M/s Singhi & Co., Chartered Accountants (Firm Registration No. 302049E), was re-appointed as statutory auditors of the Company for the second term of 5 (five) consecutive years at the 124th annual general meeting held on 12th August, 2022, to hold office till the conclusion of the 129th annual general meeting to be held in the calendar year 2027.

There has been no qualification, reservation or adverse remark in the Independent Auditors' Report for the financial year ended 31st March, 2023. The statutory auditors have not reported any incidence of fraud during the year under review in terms of Section 143(12) of the Companies Act, 2013 necessitating disclosure in the Board's Report.

32. COST ACCOUNTS AND 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 cost accountant has not reported any incidence of fraud during the year under review in terms of Section 143(12) of the Companies Act, 2013 necessitating disclosure in the Board's Report.

Pursuant to Section 148 of the Companies Act, 2013 read with Rules framed thereunder, the Board of Directors, on the recommendation of the Audit Committee, have re-appointed M/s D. Radhakrishnan & Co., Cost Accountants (Registration No. 000018), as cost auditor for the financial year ending 31st March, 2024 to conduct the audit of the cost accounting records maintained by the Company. The resolution included at Item No. 6 of the notice convening the 125th annual general meeting seeks members' ratification to the remuneration payable to the cost auditor as approved by the Board of Directors. M/s D. Radhakrishnan & Co., have long experience in the field of cost audit and have been conducting the audit of the cost records of the Company for the past several years.

The Cost Audit Report of the Company for the financial year ended 31st March, 2022 was filed with the ROC in XBRL mode on 30th September, 2022.

33. SECRETARIAL AUDIT AND SECRETARIAL COMPLIANCE REPORT

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 Rules framed thereunder and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The report from the secretarial auditor in Form MR-3 for the financial year ended 31st March, 2023 does not contain any qualification, reservation or adverse remarks. The secretarial audit report is enclosed as **Annexure V** to this report. During the year under review, the secretarial auditor did not report any matter under Section 143(12) of the Companies Act, 2013 necessitating disclosure in the Board's Report.

Further, the Annual Secretarial Compliance Report of the Company for the year ended 31st March, 2023 received from the secretarial auditor has been filed with the stock exchanges viz. BSE Limited and National Stock Exchange of India Limited on 20th May, 2023.

BOARD'S REPORT (Contd..)

34. INSOLVENCY AND BANKRUPTCY CODE, 2016

No application was made or proceeding was initiated under the Insolvency and Bankruptcy Code, 2016 during the year under review.

35. VARIATION IN VALUATION

During the year under review, there was no instance of one-time settlement with any bank or financial institution necessitating disclosure or reporting in respect of difference in valuation done by the Company.

36. 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.

37. SECRETARIAL STANDARDS

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

38. ACKNOWLEDGEMENTS

The Board of Directors acknowledge the committed services rendered by the employees at all levels and are also grateful for the continued co-operation received from the Government, vendors, financial institutions, banks, regulatory authorities, customers and all other stakeholders during the year under review.

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

Kolkata, 25th May, 2023

Annexures forming part of this Board's Report

Annexure Number	Particulars
I	Report on corporate governance
II	Annual Report on CSR activities
III	Particulars of Remuneration
IV	Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo
V	Secretarial Audit Report in Form MR-3

ANNEXURE I TO THE BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Regulation 34(3) read with Schedule V Para C of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. Company's philosophy on Code of Governance

Cheviot Company Limited ("the Company") firmly believes that good corporate governance is a continuous process. Your Company is committed to adopt and adhere to the principles of transparency, accountability and integrity in all its dealings. The affairs of the Company are conducted in fair and ethical manner to attain sustained growth and enhance value for its shareholders, customers, creditors and employees.

2. Board of Directors

a) Composition and category of directors

The composition of Board of Directors of the Company has an optimum combination of executive and non-executive directors in conformity with Section 149 of the Companies Act, 2013 (hereinafter referred to as "the Act") and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations"). The Board of Directors, on the recommendation of nomination and remuneration committee, have appointed Mr. Abhishek Murarka (DIN 00118310) as an Additional Director in the category of Wholetime Director w.e.f. 25th May, 2023, subject to approval of the members at the ensuing annual general meeting. Accordingly, the strength of Board of Directors of the Company has increased to 8 (eight) directors with 3 (three) executive directors, 1 (one) non-executive non-independent director (woman) and 4 (four) independent non-executive directors (including a woman independent director). 2 (two) of the executive directors and 1 (one) of the non-executive directors are promoters of the Company.

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, 2023

Name of the Directors	Position [Refer abbreviations below]	Attendance Particulars		No. of other directorship(s) and other Board committee memberships/chairmanships held		
		At Board Meeting(s)	At last AGM held on 12th August, 2022	Other Directorship(s) ^	Committee Membership(s) *	Committee Chairmanship(s) *
Mr. Harsh Vardhan Kanoria	CMD, CEO [P]	3	No	5	2	Nil
Mr. Utkarsh Kanoria	WTD [P]	4	Yes	2	Nil	Nil
Mr. Navin Nayar	ID NED	4	Yes	12	5	4
Mr. Padam Kumar Khaitan	ID NED	4	Yes	8	3	1
Mrs. Rashmi Prashad	ID NED [W]	3	Yes	2	Nil	Nil
Mr. Sushil Kumar Dhandhanania	ID NED	4	Yes	18	Nil	Nil
Mrs. Malati Kanoria	NED [P] [W]	4	Yes	5	Nil	Nil
Mr. Abhishek Murarka #	WTD	NA	NA	1	Nil	Nil

^ Includes directorship in private limited companies. None of the directors hold 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(s)/chairmanship(s), the Company has considered audit committee and stakeholders' relationship committee in all public limited companies as per Regulation 26 of the SEBI Listing Regulations.

appointed as an additional director in the category of Wholetime Director w.e.f. 25th May, 2023, subject to approval of the members at the ensuing annual general meeting.

Abbreviations:

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

ANNEXURE I TO THE BOARD'S REPORT

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

Sl. No.	Name of the Directors	Names of other listed entities where the person is a director	Category of Directorship [Refer abbreviations below]
1	Mr. Harsh Vardhan Kanoria	1. Jay Shree Tea and Industries Limited	ID NED
2	Mr. Navin Nayar	1. Amar Vanijya Limited 2. Bengal Tea and Fabrics Limited 3. Kanco Tea and Industries Limited 4. Kilburn Engineering Limited	ID NED ID NED ID NED NED
3	Mr. Padam Kumar Khaitan	1. Asian Hotels (East) Limited 2. Magadh Sugar and Energy Limited 3. Ramkrishna Forgings Limited	ID NED ID NED ID NED

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

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

4 (four) meetings of the Board of Directors were held during the year on 26th May, 2022, 11th August, 2022, 12th November, 2022 and 11th February, 2023. The maximum gap between two meetings was less than one hundred and twenty days. The quorum was present at every meeting. In order to adhere to the social distancing norms, the directors participated at all the board meetings held during the year through video conferencing/other audio-visual means.

e) Disclosure of relationships between directors inter-se

Mrs. Malati Kanoria is the spouse of Mr. Harsh Vardhan Kanoria, Chairman and Managing Director of the Company and Mr. Utkarsh Kanoria is the son of Mr. Harsh Vardhan Kanoria and Mrs. Malati Kanoria. None of the other directors are, inter se, related to any other director on the Board.

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

Mrs. Malati Kanoria, non-executive director, directly held 7,546 ordinary shares of the Company as at 31st March, 2023. She belongs to the promoter group of the Company. None of the independent directors hold any share of the Company including shareholding as a beneficial owner. The Company has not issued any convertible instruments.

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

The details of familiarisation programme imparted to independent directors are disclosed on the website of the Company (<https://www.cheviotgroup.com/investors/>).

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

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

Sl. No.	Areas of core skills/expertise/competence	Available with the Board	Names of directors who have such skills/expertise/competence
1	Leadership	Yes	All directors
2	Understanding of Jute Industry and its Operations	Yes	All directors
3	Sales and Marketing	Yes	Mr. Harsh Vardhan Kanoria; and Mr. Utkarsh Kanoria
4	Regulatory Compliances, Legal, Due Diligence	Yes	Mr. Harsh Vardhan Kanoria; Mr. Utkarsh Kanoria; and Mr. Padam Kumar Khaitan
5	Finance, Corporate Planning, Strategy Formulation and overall Management	Yes	All directors

i) Other provisions

It is hereby confirmed that in the opinion of the Board of Directors, the independent directors fulfill the conditions specified in the SEBI Listing Regulations and are independent of the management. None of the independent directors 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 with respect to laws applicable to the Company and any corrective steps 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.

ANNEXURE I TO THE BOARD'S REPORT

3. Audit committee

a) Brief description of terms of reference

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

- Management discussion and analysis of financial condition and results of operations.
- Oversight 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.
- Recommend for appointment, remuneration and terms of appointment of auditors of the Company to the Board of Directors.
- Examining and reviewing, quarterly results and annual financial statements and the independent auditor's report thereon before submission to the Board of Directors.
- Evaluation of internal financial controls and risk management systems.
- Discussion with internal auditors on internal audit reports relating to internal control weaknesses and 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 relating to internal control weaknesses.
- Review, with the management, the performance of statutory and internal auditors, adequacy of the internal control systems.
- Review the functioning of whistle blower mechanism.
- Scrutiny of inter-corporate loans and investments.
- Approval of related party transactions or any subsequent modification of transactions with related parties.
- Review compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and verify the effectiveness of internal controls followed by the Company.

b) Composition, name of members and chairperson

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

Name of the directors	Designation	Category
Mr. Navin Nayar	Chairman	Independent Director
Mr. Sushil Kumar Dhandhanania	Member	Independent Director
Mr. Utkarsh Kanoria	Member	Whole time Director

All members of audit committee are financially literate and Mr. Navin Nayar, Chairman of the audit committee, is a qualified Chartered Accountant having accounting and financial management expertise.

c) Meetings and attendance during the year

During the year, 5 (five) meetings of the Audit Committee were held on 14th April, 2022, 26th May, 2022, 10th August, 2022, 11th November, 2022 and 10th February, 2023

Name of the directors	Designation	Category	Number of meetings held	Number of meetings attended
Mr. Navin Nayar	Chairman	Independent Director	5	5
Mr. Sushil Kumar Dhandhanania	Member	Independent Director	5	5
Mr. Utkarsh Kanoria	Member	Whole time Director	5	5

CFO, representatives of statutory auditors, internal auditors and cost auditors were invitees to the meetings of the audit committee. The Chairman of the audit committee was present at the previous AGM of the Company held on 12th August, 2022. Minutes of audit committee were placed before the Board for noting. The company secretary acts as the secretary to the audit committee. The maximum gap between any two audit committee meetings was less than one hundred and twenty days. The quorum was present at every meeting.

ANNEXURE I TO THE BOARD'S REPORT

4. Nomination and remuneration committee

a) Brief description of terms of reference

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.
- Evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director.
- Formulation of criteria for evaluation of performance of independent directors and the Board of Directors.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
- Specify the manner for effective evaluation of performance of Board of Directors, its committees and individual directors to be carried out either by the Board of Directors or by the nomination and remuneration committee and review its implementation and compliances.
- Devise a policy on diversity of Board of Directors.
- Recommend to the Board of Directors, all remuneration, in whatever form, payable to senior management.

b) Composition, name of members and chairperson

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

Name of the directors	Designation	Category
Mr. Sushil Kumar Dhandhanian	Chairman	Independent Director
Mr. Navin Nayar	Member	Independent Director
Mrs. Rashmi Prashad	Member	Independent Director

c) Meetings and attendance during the year

During the year, 1 (one) meeting of the nomination and remuneration committee was held on 26th May, 2022.

Name of the directors	Designation	Category	Number of meetings held	Number of meetings attended
Mr. Sushil Kumar Dhandhanian	Chairman	Independent Director	1	1
Mr. Navin Nayar	Member	Independent Director	1	1
Mrs. Rashmi Prashad	Member	Independent Director	1	1

The Chairman of the nomination and remuneration committee was present at the previous AGM of the Company held on 12th August, 2022.

d) Performance evaluation criteria for independent directors

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

5. Stakeholders' Relationship Committee

a) Name of non-executive director heading the committee

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

Name of the directors	Designation	Category
Mr. Sushil Kumar Dhandhanian	Chairman	Independent Director
Mrs. Rashmi Prashad	Member	Independent Director
Mrs. Malati Kanoria	Member	Non-Executive Director

ANNEXURE I TO THE BOARD'S REPORT

(₹ in Lakhs)

b) Meetings and attendance during the year

During the year, 2 (two) meetings of the stakeholders' relationship committee was held on 26th May, 2022 and 11th November, 2022.

Name of the directors	Designation	Category	Number of meetings held	Number of meetings attended
Mr. Sushil Kumar Dhandhanian	Chairman	Independent Director	2	2
Mrs. Rashmi Prashad	Member	Independent Director	2	2
Mrs. Malati Kanoria	Member	Non-Executive Director	2	2

c) Name and designation of the compliance officer

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

d) Number of shareholders' complaints received during the financial year, number of complaints not solved to the satisfaction of shareholders, number of pending complaints

Details of shareholder complaints received and redressed during the year under review are as follows:

No. of shareholder complaints received during the financial year	No. of complaints not solved to the satisfaction of the shareholders	No. of complaints redressed during the year	No. of pending complaints as at 31st March, 2023
7	Nil	7	Nil

Prompt actions are taken for redressal/disposal of investors' complaints. Queries and service requests received from investors are usually responded within 15 (fifteen) days of the receipt of the letters/emails.

6. Risk Management Committee

The Company has laid down procedures to inform members of the Board of Directors about risk assessment and minimization process. The Board of Directors have framed, implemented and continuously monitored the risk management plan for the Company. The Board of Directors have framed and implemented a robust risk management framework for early identification and assessment of various elements of risks associated with Jute Industry operations to help minimise or mitigate such risks. The provisions for constitution of a separate Risk Management Committee was not applicable for the year under review.

7. Remuneration of directors

(a) Details of remuneration of directors

(i) Details of remuneration of executive directors for the financial year ended 31st March, 2023:

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	350.00	2.40	9.78	5 years from 1st August, 2020
Mr. Utkarsh Kanoria (Wholetime Director)	23.56	350.00	Nil	12.48	5 years from 24th May, 2022

(ii) Details of remuneration of non-executive directors, including independent directors of the Company for the financial year ended 31st March, 2023:

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

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

ANNEXURE I TO THE BOARD'S REPORT

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

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

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

The Company avails legal and professional services from M/s Khaitan & Co. LLP, a solicitor firm, in which Mr. Padam Kumar Khaitan, independent director of the Company is a partner. During the year under review, the Company had paid ₹ 2.75 Lakhs to Khaitan & Co. LLP for legal and professional services which does not exceed ten per cent or more of the gross turnover of such firm and is not material to affect the independence of judgement of Mr. Padam Kumar Khaitan as an independent director of the Company.

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

b) Criteria of making payment to non-executive directors

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

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

The amount of commission shall be determined by the Board of Directors based on their attendance, time and effort devoted and any other contribution made by them. In addition to the sitting fees and commission, the non-executive directors, including independent directors of the Company shall be entitled to be paid their reasonable travelling, hotel and other expenses incurred for attending Board and Committee meetings or otherwise incurred in the execution of their duties as directors.

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

8. 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

ANNEXURE I TO THE BOARD'S REPORT

b) Meetings and attendance

2 (two) meetings of the CSR committee were held on 26th May, 2022 and 11th November, 2022:

Name of the directors	Designation	Category	Number of meetings held	Number of meetings attended
Mrs. Malati Kanoria	Chairperson	Non-Executive Director	2	2
Mr. Padam Kumar Khaitan	Member	Independent Director	2	2
Mrs. Rashmi Prashad	Member	Independent Director	2	2

9. Separate meeting of Independent Directors

During the year, the independent directors held a separate meeting on Tuesday, 28th February, 2023 and carried out inter alia the performance evaluation of the Chairman and Managing Director of the Company, other non-independent directors and the Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties, as per the requirement of Schedule IV to the Act read with Regulation 25(3) of the SEBI Listing Regulations. Except Mr. Navin Nayar, who was granted leave of absence, all other independent directors of the Company attended the separate meeting of independent directors held during the year.

10. General Body Meetings

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

Date, Time and Location of last three AGM	Special Resolutions passed at the AGM
12th August, 2022 at 11:00 a.m. through video conferencing (VC) or other audio-visual means (OAVM) conducted from the Registered Office	Re-appointment of Mr. Utkarsh Kanoria as Wholetime Director for further period of five years w.e.f. 24th May, 2022.
23rd July, 2021 at 11:00 a.m. through VC/OAVM conducted from the Registered Office	Nil
14th August, 2020 at 11:00 a.m. through VC/OAVM conducted from the Registered Office	Re-appointment of Mr. Harsh Vardhan Kanoria as Chairman and Managing Director for further period of five years w.e.f. 1st August, 2020.

b) Postal Ballot

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

11. Means of Communication

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

ANNEXURE I TO THE BOARD'S REPORT

12. General Shareholder Information

i) AGM Date, Time and Venue	Friday, 11th August, 2023 at 11.00 a.m. through video conferencing or other audio-visual means to be conducted from the Registered Office as per details given in the notice calling the ensuing AGM of the Company.
ii) Financial year	Financial Year: 1st April to 31st March. Quarterly, Half-Yearly and Annual Financial Results of the Company shall be submitted to the Stock Exchange(s) within the time prescribed under Regulation 33 of the SEBI Listing Regulations.
iii) Dividend payment date	Final dividend for the year ended 31st March, 2023, as recommended by the Board of Directors, will be paid on and from Wednesday, 16th August, 2023 , subject to approval of the members at the ensuing AGM of the Company. Final dividend for the year ended 31st March, 2022 was paid on and from Wednesday, 17th August, 2022.
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)	1. BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Annual listing fees for the year 2023-2024 paid on 18th April, 2023. 2. National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 Annual listing fees for the year 2023-2024 paid on 10th April, 2023.
v) Stock code	ISIN: INE974B01016 BSE Scrip Code: 526817 NSE Symbol: Cheviot
vi) Market Price data: High, Low during each month in last financial year	Information has been given at the end of clause 12.
vii) Stock performance of the Company in comparison to BSE Sensex and Nifty-50. (April, 2022 to March, 2023)	Information has been given at the end of clause 12.
viii) Suspension of securities	The listed securities were not suspended from trading during the year.
ix) 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 E-mail ID: mdpldc@yahoo.com
x) Share transfer system	Information has been given at the end of clause 12.
xi) Distribution of shareholding as at 31st March, 2023	Information has been given at the end of clause 12.

ANNEXURE I TO THE BOARD'S REPORT

xii) Dematerialisation of shares and liquidity	As on 31st March, 2023, 59,36,907 ordinary shares representing 98.6709% of the Company's paid-up share capital was held in dematerialised form, out of which, 96,542 ordinary shares (1.6045%) are lying with IEPF Authority and 20,155 ordinary shares (0.3350%) are lying in unclaimed suspense account.												
xiii) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity	Not issued												
xiv) 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 55.3 to the financial statements for the year ended 31st March, 2023.												
xv) Plant locations	The Company's plants are located at following places: i) 19, Mehta Road, Badekalinagar, Budge Budge, 24- Parganas (South) - 700 137 (West Bengal); ii) Sector II, Falta Special Economic Zone, Falta, 24- Parganas (South) -743 504 (West Bengal).												
xvi) Address for correspondence	Cheviot Company Limited 24, Park Street, Celica House, 9th Floor, Celica Park, Kolkata - 700 016 Phone: +91 82320 87911/12/13 Email ID: cheviot@chevjute.com Investor service / E-voting e-mail ID: investorservices@chevjute.com Website: https://www.cheviotgroup.com												
xvii) List of all credit ratings obtained by the Company along with any revisions thereto during the relevant financial year.	<p>The Company has obtained Bank Loan Rating from Crisil Limited as under:</p> <table border="1" data-bbox="751 1390 1479 1535"> <thead> <tr> <th>Financial Year</th> <th>2022-23</th> <th>2023-24</th> </tr> </thead> <tbody> <tr> <td>Total Bank Loan Facilities Rated</td> <td>₹ 34.00 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 2022-2023. The rating stands re-affirmed by Crisil Limited till 31st March, 2024.</p>	Financial Year	2022-23	2023-24	Total Bank Loan Facilities Rated	₹ 34.00 Crores	₹ 34.00 Crores	Long-Term Rating	Crisil A+/Stable	Crisil A+/Stable	Short-Term Rating	Crisil A1+	Crisil A1+
Financial Year	2022-23	2023-24											
Total Bank Loan Facilities Rated	₹ 34.00 Crores	₹ 34.00 Crores											
Long-Term Rating	Crisil A+/Stable	Crisil A+/Stable											
Short-Term Rating	Crisil A1+	Crisil A1+											

ANNEXURE I TO THE BOARD'S REPORT

Information in respect of clause 12 (vi)

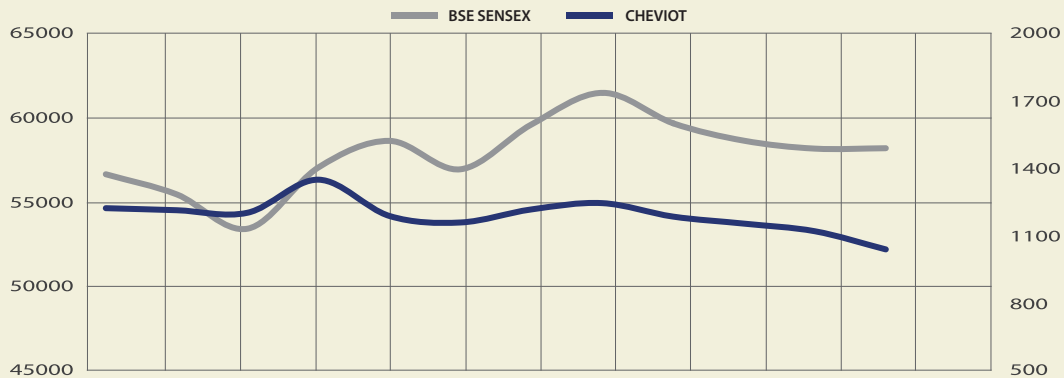
Market Price data: High, Low during each month (April, 2022 to March, 2023) are given in the table below:

Month	BSE Limited		National Stock Exchange of India Limited (Securities listed w.e.f. 20th June, 2022)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2022	1,334.00	1,129.00	NA	NA
May, 2022	1,249.00	1,080.25	NA	NA
June, 2022	1,299.00	1,138.65	1,254.00	1,105.00
July, 2022	1,384.00	1,192.00	1,388.00	1,180.40
August, 2022	1,485.00	1,131.00	1,499.85	1,146.90
September, 2022	1,200.00	1,106.00	1,197.40	1,075.00
October, 2022	1,245.05	1,122.45	1,245.00	1,120.00
November, 2022	1,335.00	1,170.00	1,348.85	1,178.00
December, 2022	1,348.75	1,083.05	1,260.00	1,106.05
January, 2023	1,219.30	1,111.00	1,224.90	1,110.00
February, 2023	1,185.00	1,051.00	1,180.00	1,040.20
March, 2023	1,145.85	966.00	1,117.50	960.30

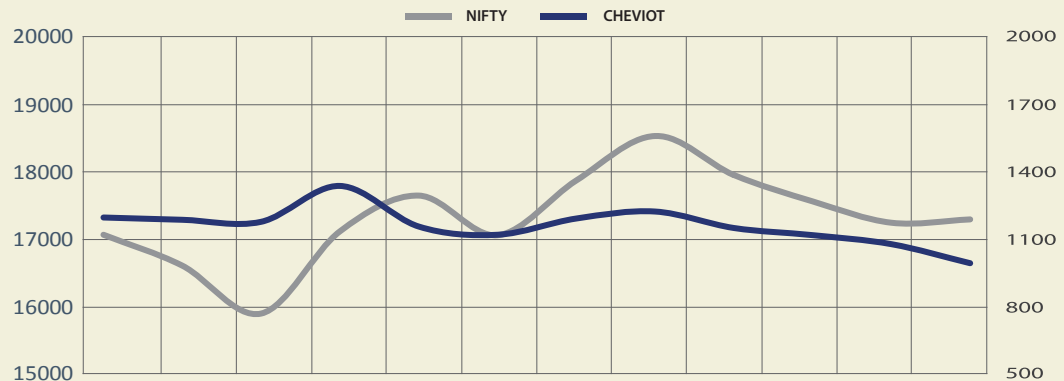
Information in respect of clause 12 (vii)

Stock performance of the Company in comparison to BSE Sensex and NIFTY 50 (April, 2022 to March, 2023)

Stock performance of the Company in comparison to BSE Sensex



Stock performance of the Company in comparison to NIFTY 50



ANNEXURE I TO THE BOARD'S REPORT

Information in respect of clause 12 (x)

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 Regulations, requests for effecting transfer, transmission or transposition of securities shall be processed in dematerialised form only. The shares lodged for dematerialisation are processed within the stipulated time from the date of their lodgement, if instruments are found valid and complete in all respects.

Pursuant to Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, M/s MR & Associates, a firm of Practising Company Secretaries carried out the audit to reconcile the total admitted capital in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited and total number of shares in physical form and to confirm that the total listed and paid-up capital are in agreement with the aggregate number of shares. This audit was carried out in every quarter and the report was submitted to the BSE Limited and National Stock Exchange of India Limited, where shares of the Company are listed.

Information in respect of clause 12 (xi)

a) Distribution of Shareholding as on 31st March, 2023:

Number of Ordinary shares held	Number of Ordinary Shares	Percentage of Shareholding	Number of Shareholders / folios	Percentage of Shareholders / folios
Up to 500	7,42,103	12.3337	14,898	97.1123
501 to 1000	1,76,951	2.9409	244	1.5905
1001 to 2000	1,76,717	2.9370	127	0.8278
2001 to 3000	75,273	1.2510	31	0.2021
3001 to 4000	34,493	0.5733	10	0.0652
4001 to 5000	44,458	0.7389	10	0.0652
5001 to 10000	85,095	1.4143	12	0.0782
10001 and above	46,81,785	77.8109	9	0.0587
Total	60,16,875	100.0000	15,341	100.0000
Physical Mode	79,968	1.3291	435	2.8355
Demat Mode	59,36,907	98.6709	14,906	97.1645

b) Shareholding Pattern as on 31st March, 2023:

Category Code	Category of Shareholders	Number of Shareholders	Total number of Ordinary Shares held	As a percentage of total Ordinary Shares
(A)	Shareholding of Promoter and Promoter Group			
	1. Indian	7	45,02,294	74.8278
	2. Foreign	-	-	-
	Total Shareholding of Promoter and Promoter Group	7	45,02,294	74.8278
(B)	Public Shareholding			
	1. Institutions	25	24,916	0.4141
	2. Non-institutions	15,309	14,89,665	24.7581
	Total Public Shareholding	15,334	15,14,581	25.1722
(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)	15,341	60,16,875	100.0000

ANNEXURE I TO THE BOARD'S REPORT

13. Other Disclosures

- i) There are no materially significant related party transactions between the Company and its promoters, directors or any other related party that may have potential conflict with the interests of the Company at large. All transactions entered with related parties were in the ordinary course of business and at arm's length price with prior approval of the audit committee in line with the policy on related party transactions of the Company. Disclosures as required under IND AS-24 have been made in Note 53 to the financial statements for the year ended 31st March, 2023. Policy on related party transactions and other policies and code of conduct adopted by the Board of Directors are displayed on the website (<https://www.cheviotgroup.com>).
- ii) During the last three years, no penalty or stricture has been imposed on the Company by the stock exchange(s) viz. National Stock Exchange of India Limited and BSE Limited or Securities and Exchange Board of India or any other statutory authority for non-compliance of any matter related to the capital markets.
- iii) Whistle blower policy/vigil mechanism established by the Company offers appropriate protection to the whistle blower(s) from victimisation, harassment or disciplinary proceedings. The whistle blower(s) may also lodge his/their complaint(s)/concern(s) with the Chairman of the Audit Committee. No personnel have been denied access to the Audit Committee.
- iv) The Company does not have any subsidiary.
- v) The Senior Management Personnel of the Company have confirmed to the Board of Directors that there was no material, financial and commercial transaction entered during the financial year ended 31st March, 2023, where they have personal interest that may have a potential conflict with the interests of the Company at large.
- vi) The details of fees paid/payable to the Statutory Auditors by the Company have been disclosed in Note 42 to the financial statements for the year ended 31st March, 2023.
- vii) The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI Listing Regulations.
- viii) The Company did not extend any loan or advance to any firm/company in which directors are interested.
- ix) Disclosure of compliance with mandatory and non-mandatory corporate governance requirements:

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

- a) **Mandatory requirements:** The Company has complied with all mandatory requirements under the SEBI Listing Regulations.
- b) **Discretionary requirements:**
 - A. The Board:** The Chairman of the Company is an executive director.
 - B. Shareholder Rights:** Half-yearly results and other information are published in newspaper and uploaded on Company's website (<https://www.cheviotgroup.com>).
 - C. Modified opinion(s) in audit report:** The Company has received unmodified audit opinion on the financial statements for the year ended 31st March, 2023.
 - D. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer:** Presently, the post of Chairman and Managing Director are not separated.
 - E. Reporting of internal auditor:** The internal auditors have access to report directly to the audit committee.
- x) There has not been any instance where the Board of Directors did not accept the recommendations of committees of the Board, which is mandatorily required.

14. Certificate of non-disqualification of directors

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

ANNEXURE I TO THE BOARD'S REPORT

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. CEO and CFO certification

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

17. Declaration on compliance with Company's code of conduct

The Board of Directors have formulated a code of conduct applicable to all the directors and senior management personnel of the Company incorporating duties of independent directors which has been posted on the website of the Company (<https://www.cheviotgroup.com>). 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.

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

In terms of SEBI Listing Regulations, details of the ordinary shares lying in the Unclaimed Suspense Account in dematerialised form are as follows:

Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account (transferred during the year)	Number of shareholders who approached the Company for transfer of shares from unclaimed suspense account during the year	Number of shareholders to whom shares were transferred from unclaimed suspense account during the year	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying at the end of the year (as on 31st March, 2023)
20,155 ordinary shares held by 181 members	Nil	Nil	20,155 ordinary shares held by 181 members

Note: The voting rights on the shares lying in Unclaimed Suspense Account shall remain frozen till rightful owner of such shares claims the shares.

Member-wise details of shares lying in Unclaimed Suspense Account are available on the website of the Company (<https://www.cheviotgroup.com>). Members whose shares are lying in the unclaimed suspense account of the Company in dematerialised form can approach the Company or the Registrar to claim their shares.

19. Compliance certificate

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.

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

Kolkata, 25th May, 2023

ANNEXURE I TO THE BOARD'S REPORT

DECLARATION ON COMPLIANCE WITH COMPANY'S CODE OF CONDUCT

Dear Members,

I hereby declare that to the best of my knowledge and belief, all the members of Board of Directors and senior management personnel of the Company have affirmed compliance with the Company's code of conduct for the financial year ended 31st March, 2023.

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

Kolkata, 25th May, 2023

CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance by **Cheviot Company Limited** ("the Company"), for the year ended on 31st March, 2023, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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

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

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

For SJAB & Associates
Practising Company Secretaries
CS Shreya Jain
Partner
Membership no.: A63594
CP no.: 24772
UDIN: A063594E000373464

Place: Kolkata
Date: 25th May, 2023

ANNEXURE I TO THE BOARD'S REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the directors on the Board of the Company, as stated below, has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority for the year ended 31st March, 2023.

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

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

Place: Kolkata
Date: 25th May, 2023

For SJAB & Associates
Practising Company Secretaries
CS Shreya Jain
Partner
Membership no.: A63594
CP no.: 24772
UDIN: A063594E000373453

ANNEXURE II TO THE BOARD'S REPORT

(₹ in Lakhs)

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

1.	Brief outline on CSR policy of the Company				
	At Cheviot, we believe in a responsible shared value approach to augment industrial growth together with actions directed to create prosperity among all our stakeholders, employees and the community at large. During the year, our CSR programs were oriented toward various activities to support education and healthcare. CSR programs were also undertaken to promote nationally recognised sport and for the benefit of armed force dependents.				
2.	Composition of CSR Committee				
	Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
	1	Mrs. Malati Kanoria	Chairperson, Non-Executive Director	2	2
	2	Mr. Padam Kumar Khaitan	Member, Independent Director	2	2
	3	Mrs. Rashmi Prashad	Member, Independent Director	2	2
3.	Provide the web-link(s) where composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company				
	Please click on web-link: https://www.cheviotgroup.com/investors/ to view composition of CSR committee, CSR policy and CSR projects approved by the Board displayed on the website of the Company.				
4.	Provide the executive summary along with web-link(s) of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable				
	Not applicable				
5.	(a) Average net profit of the Company as per sub-section (5) of Section 135 of the Companies Act, 2013				₹ 6,968.56
	(b) Two percent of average net profit of the Company as per sub-section (5) of Section 135 of the Companies Act, 2013				₹ 139.37
	(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years				Nil
	(d) Amount required to be set off for the financial year, if any				Nil
	(e) Total CSR obligation for the financial year [(b)+(c)-(d)]				₹ 139.37
6.	(a) Amount spent on CSR projects (both ongoing project and other than ongoing project)				₹ 139.81
	(b) Amount spent in administrative overheads				Nil
	(c) Amount spent on impact assessment, if applicable				Nil
	(d) Total amount spent for the financial year [(a)+(b)+(c)]				₹ 139.81
	(e) CSR amount spent or unspent for the financial year				
	Total amount spent for the financial year (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)			
		Total amount transferred to Unspent CSR Account as per sub-section (1) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135	
		Amount	Date of transfer	Name of the Fund	Amount
	₹ 139.81	Not applicable			

ANNEXURE II TO THE BOARD'S REPORT

(₹ in Lakhs)

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in Lakhs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of Section 135 of the Companies Act, 2013	₹ 139.37
(ii)	Total amount spent for the financial year	₹ 139.81
(iii)	Excess amount spent for the financial year [(ii) – (i)]	₹ 0.44
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 0.44

7. Details of unspent corporate social responsibility amount for the preceding three financial years

1	2	3	4	5	6		7	8
Sl. No.	Preceding financial year(s)	Amount transferred to unspent CSR Account under sub-section (6) of Section 135 (₹ in Lakhs)	Balance amount in unspent CSR account under sub-section (6) of Section 135 (₹ in Lakhs)	Amount spent in the financial year (₹ in Lakhs)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding financial years (₹ in Lakhs)	Deficiency, if any
					Amount (₹ in Lakhs)	Date of transfer		
1	FY-2021-22				NIL			
2	FY-2020-21				NIL			
3	FY-2019-20				NIL			

8. Whether any capital assets have been created or acquired through corporate social responsibility amount spent in the financial year

Yes No

If yes, enter the number of capital assets created/acquired | Not applicable

Furnish the details relating to such asset(s) so created or acquired through corporate social responsibility amount spent in the financial year

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/authority/beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
Not applicable							

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135 of the Companies Act, 2013

Not applicable

For and on behalf of the Board

Malati Kanoria
Non-Executive Director
Chairperson of CSR Committee
(DIN: 00253241)

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

Kolkata, 25th May, 2023

ANNEXURE III TO THE BOARD'S REPORT

PARTICULARS OF REMUNERATION

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

(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	189:1
	Mr. Utkarsh Kanoria, Wholetime Director	189:1
	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 Dhandhanania, Independent Director	3:1
	Mrs. Malati Kanoria, Non-Executive Director	3:1
(ii)	The percentage increase in remuneration of each director, chief financial officer, chief executive officer, company secretary in the financial year	
	Directors/Key Managerial Personnel	% Increase/(Decrease)
	Mr. Harsh Vardhan Kanoria, Chairman and Managing Director, Chief Executive Officer	(20)%
	Mr. Utkarsh Kanoria, Wholetime Director	(20)%
	Mr. Navin Nayar, Independent Director	0%
	Mr. Padam Kumar Khaitan, Independent Director	(2)%
	Mrs. Rashmi Prashad, Independent Director	(4)%
	Mr. Sushil Kumar Dhandhanania, Independent Director	(2)%
	Mrs. Malati Kanoria, Non-Executive Director	(2)%
	Mr. Madhup Kumar Patni, Chief Financial Officer	0%
	Mr. Aditya Banerjee, Company Secretary and Compliance Officer	14%
(iii)	The percentage increase in the median remuneration of employees in the financial year	13%
(iv)	The number of permanent employees on the rolls of Company (as on 31st March, 2023)	4,139 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 operating profit had decreased by 23% compared to previous year. However, the average percentile increase made in the salaries of employees other than the managerial personnel was at around 11% mainly due to impact of increase in DA and other perquisites of CTC. On the other hand, managerial remuneration decreased by 20% mainly on account of lower commission on operating profit determined by the Board in accordance with the terms of appointment approved by the members and within the permissible limits of Section 197 of the Companies Act, 2013.	
(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.	

Note: Mr. Abhishek Murarka has been appointed as an additional director in the category of Wholetime Director of the Company w.e.f. 25th May, 2023 and as such his remuneration is not comparable for the financial year 2022-23.

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

Kolkata, 25th May, 2023

ANNEXURE IV TO THE BOARD'S REPORT

(₹ in Lakhs)

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

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

A. Conservation of Energy

(i) The steps taken or impact on conservation of energy

Following steps are taken inter-alia for conservation of energy during the year to reduce consumption of energy :

- (i) Gradual replacement of high wattage (36w, 70w, 150w) streetlights with low wattage (15w, 35w, 50w) LED streetlight with higher lumen output;
- (ii) Replacement of 23 nos. 400W HPMV lamp by 94W High Bay LED lamp fittings resulting in savings per light fixtures by almost 75%. Installation of 88 nos. LED High Bay light fittings (105W) within the factory premises;
- (iii) Retrofitting and replacement of 4 nos. old 400V/550V motors of Pneumafill fan with 415V new IE2 higher efficiency category motor in 4.25 AD Spinning machine;
- (iv) Insulation of steam pipeline to minimise heat waste and insulation of air-compressor pipeline to minimise the no-load loss during idle run time;
- (v) Installation of 25-30% higher energy efficient rotary screw compressor;
- (vi) Optimum loading of motor or re-sizing of motor capacity according to application;
- (vii) Relocate existing capacitor banks to improve Line Power Factor of the feeders and minimise I²R loss; and
- (viii) 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) Use of jute waste as fuel in Boilers.
- (ii) Possibility of solar power generation is under study.

(iii) The capital investment on energy conservation equipment

During the year under review, capital investment on energy conservation equipment was made towards rotary air-compressor and High Bay LED light fittings. Rest of the energy conservation measures were consumable in nature.

B. Technology Absorption

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

C. Foreign Exchange earnings and outgo

Sl. No.	Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(i)	Foreign exchange earned during the year in terms of actual inflows	₹ 20,307.16	₹ 22,965.42
(ii)	Foreign exchange outgo during the year in terms of actual outflows	₹ 5,703.30	₹ 4,909.34

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

Kolkata, 25th May, 2023

ANNEXURE V TO THE BOARD'S REPORT

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2023

[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,
Celica House, 9th Floor, Celica Park,
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 LTD** (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, 2023 ("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, 2023 according to the provisions of:

- i) The Companies Act, 2013 (the Act), amendments thereof 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- Not applicable to the extent of Overseas Direct Investment and External Commercial Borrowings as there were no reportable events during the financial year under review.
- 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations/guidelines/circulars as may be issued by SEBI from time to time;

We further report that, there were no actions/events in pursuance of:

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (c) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- (e) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;

ANNEXURE V TO THE BOARD'S REPORT

vi) The Company had identified following laws as specifically applicable to the Company, other than general laws, namely:

- (a) The Essential Commodities Act, 1955;
- (b) The Special Economic Zones Act, 2005 and the rules made thereunder;
- (c) The Jute Packaging Materials (Compulsory Use in Packing Commodities) Act, 1987;
- (d) The Jute Manufactures Cess Act, 1983;
- (e) Bureau of Indian Standards (BIS) Act, 2016.

We further report that having regard to the compliance system prevailing in the Company, we have relied upon the representation made by the Management, for compliance with the other applicable laws.

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 and National Stock Exchange of India Limited (w.e.f. 20th June, 2022).

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

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors. There are no 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.

None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

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

We further report that during the audit period-

- 1) The Company had obtained approval of shareholders by way of Special Resolution passed at Annual General Meeting of the Company held on 12th August, 2022 for re-appointment of Mr. Utkarsh Kanoria (DIN: 06950837) as a Whole-Time Director of the Company for a period of five years w.e.f. 24th May, 2022.
- 2) The Company has entered into Listing Agreement with National Stock Exchange of India Limited with effect from 20th June, 2022.
- 3) The commercial production of the new weaving unit commissioned within the Jute Mill located at Budge Budge has commenced on Saturday, 11th March 2023.

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
A Peer Reviewed Firm
Peer Review Certificate No.: 720/2020

[M. R. Goenka]
Partner

Place: Kolkata
Date: 25th May, 2023

C P No.: 2551
UDIN No.: F004515E000353171

ANNEXURE V TO THE BOARD'S REPORT

"ANNEXURE – A" TO THE SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2023

To
The Members,
CHEVIOT COMPANY LIMITED
24, Park Street,
Celica House, 9th Floor, Celica Park,
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. As regard the books, papers, forms, reports and returns filed by the Company under the provisions referred to in our Secretarial Audit Report in Form MR-3 the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.
7. 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
A Peer Reviewed Firm
Peer Review Certificate No.: 720/2020

[M. R. Goenka]
Partner

Place: Kolkata
Date: 25th May, 2023

C P No.: 2551
UDIN No.: F004515E000353171

INDEPENDENT AUDITORS' REPORT

To the Members of Cheviot Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Cheviot Company Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2023, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as the "financial statements")

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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015, as amended (Ind As) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditors' 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 (ICAI) 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 ICAI Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended March 31, 2023. 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. We have determined the matters described below as Key audit matters and for each matter, our description of how our audit addressed the matter is provided in that context.

The key audit matter	How our audit addressed the key audit matter
<p>A. Valuation of Inventories Refer to note 13 to the financial statements.</p> <p>As described in the accounting policies in note 3.1 to the financial statements, inventories are carried at the lower of cost and net realisable value. As a result, the management applies judgment in determining the appropriate provisions for obsolete stock based upon a detailed analysis of slow and non-moving inventories, net realisable value below cost based upon future plans for sale of inventory.</p> <p>We determined this to be a matter of significance to our audit due to quantum of the amount and estimation involved.</p>	<p>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. Verifying the effectiveness of key inventory controls operating over inventories; including sample based physical verification. 3. Verifying for a sample of individual products that costs have been correctly recorded. 4. Comparing the net realizable value to the cost price of inventories to check for completeness of the associated provision. 5. Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year. 6. Recomputing provisions recorded to verify that they are in line with the Company policy.

INDEPENDENT AUDITORS' REPORT (Contd..)

The key audit matter	How our audit addressed the key audit matter
<p>B. Valuation and existence of Non-Current and Current Investments</p> <p>Refer note 9 and 14 to the financial statements.</p> <p>The company holds Non-Current and Current Investments amounting to Rs. 18,832.87 lakhs and Rs. 6,938.47 lakhs respectively which represents 41.44% of total assets as at March 31, 2023. The Investments comprise of mutual funds, debenture or bonds, government securities, preference shares, real estate investment trust and Alternative 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> <ol style="list-style-type: none"> 1. Understood, assessed and tested the design and operating effectiveness of key controls surrounding fair valuation of investments. 2. Obtained demat account holding statement / confirmations, Mutual fund and Alternative Investment Fund statements to verify the existence and ownership of the company's Investment portfolio. 3. Verified on sample basis the fair valuation of all Investments held as at March 31, 2023 to the Net Assets Value provided by the respective Mutual funds and Alternative Investment Funds, market value of quoted debenture or bonds and real estate investment trust from source data and tested the arithmetical accuracy of the calculation of valuation of investments. 4. Assessed the adequacy of the Company's disclosures.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, for example Board's Report, Report on Corporate Governance, Management Discussion & Analysis Report etc., but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a 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 Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITORS' REPORT (Contd..)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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, 2020 ("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. Further to our comments in the annexure referred to in the paragraph above, as required by Section 143(3) of the Act, we report that :
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

INDEPENDENT AUDITORS' REPORT (Contd..)

- f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the financial statements;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of the section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanation given to us, the managerial remuneration for the year ended March 31, 2023 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, 2023 on its financial position in its financial statements - Refer note 45.1 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund (“IEPF”) by the Company.
 - iv.(a) The management has represented to us that, to the best of it's knowledge and belief, as disclosed in the note 57(v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented to us that, to the best of it's knowledge and belief, as disclosed in the note 57(vi) to the financial statements, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on our audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under paragraph 2(h) (iv)(a) &(b) above, contain any material mis-statement.
- v. The dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- As stated in Note 47 to the Financial Statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1st April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.

Place: Kolkata
Dated: May 25, 2023

Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E
Gopal Jain
Partner
Membership No. 059147
UDIN: 23059147BGYQAQ5343

INDEPENDENT AUDITORS' REPORT (Contd..)

(₹ in Lakhs)

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, 2023)

We report that:

- i.(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company. However, mutation of land in Company's name in government land records is pending in following case:

Description of Property	Gross carrying value (₹)	Title Deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
Certain portions of Freehold Land situated at Mouza Hetalkhali under Budge Budge Municipality, in the State of West Bengal	0.20	Cheviot Company Limited	No	Year 1920 / 1933	Mutation of land for name change in respect of certain portions of freehold land received from M/s Chitpore Golabari Company Limited through perpetual lease / settlement operation is pending.

- (d) The Company has not revalued its property plant and equipment (including ROU Asset) or intangible asset during the year ended March 31, 2023.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii.(a) The management has conducted physical verification of inventories (excluding inventories in transit) at reasonable intervals during the year and discrepancies of 10% or more in aggregate for each class of inventory were not noticed on physical verification of such inventories. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. In respect of inventories in transit, subsequent goods receipt have been verified or confirmation have been obtained from the parties.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees in aggregate from bank during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such bank are in agreement with the books of accounts of the Company.
- iii.(a) The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence sub-clauses (iii) (a), (c), (d), (e), (f) under clause (iii) of the Order are not applicable.
- (b) The investments made, during the year are, prima facie, not prejudicial to the Company's interest.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with provisions of Section 186 of the Companies Act, 2013 in respect of investments made. The Company has not granted any loan or provided any guarantee or security under section 185 of the Companies Act, 2013.

INDEPENDENT AUDITORS' REPORT (Contd..)

- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are 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 with a view to determine whether they are accurate or complete.
- 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 generally 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 to 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, 2023 for a period of more than six months from the date they became payable.
- (b) Details of statutory dues referred to sub clause (a) above which have not been deposited as on March 31, 2023 on account of any dispute are given below:

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	23.91	F.Y. 2015-16	Commissioner of Income tax (Appeals)
		40.14	F.Y. 2016-17	Commissioner of Income tax (Appeals)
		53.46	F.Y. 2017-18	Commissioner of Income tax (Appeals)
		26.42	F.Y. 2020-21	Commissioner of Income tax (Appeals)

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix.(a) Based on our audit procedures performed by us and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, the Company has not raised any fund by way of term loan during the year. Accordingly, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) The Company does not have any subsidiary or joint venture or associate. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary or joint venture or associate. Accordingly, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- x.(a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

INDEPENDENT AUDITORS' REPORT (Contd..)

- xi.(a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, a report under Section 143(12) of the Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) & (c) of the Order is not applicable to the Company
- 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.(a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till the date of audit report, for the period under audit.
- xv. According to the information and explanations given to us and as represented to us by the management 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 such directors. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi.(a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) & (b) of the Order is not applicable to the Company.
- (b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (c) Based on the information and explanations provided by the management of the Company, the Group does not have any CIC's, which are part of the Group. Accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses in the current financial year and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Refer note 56 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

INDEPENDENT AUDITORS' REPORT (Contd..)

- xx.(a) In our opinion and according to the information and explanations given to us, in respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013 (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.
- (b) In our opinion and according to the information and explanations given to us, there are no unspent amounts in respect of ongoing projects that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act, 2013.

Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

Gopal Jain
Partner
Membership No. 059147
UDIN: 23059147BGYQAQ5343

Place: Kolkata
Dated: May 25, 2023

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls with reference to Financial Statements 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, 2023 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 with reference to Financial Statements based on the internal control with reference to Financial Statements 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Financial Statements. 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 with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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.

INDEPENDENT AUDITORS' REPORT (Contd..)

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 with reference to Financial Statements.

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

Limitations of Internal Financial Controls with reference to the financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2023, based on the criteria for internal financial controls with reference to Financial Statements 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.

Place: Kolkata
Dated: May 25, 2023

Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

Gopal Jain
Partner
Membership No. 059147
UDIN: 23059147BGYQAQ5343

Balance sheet as at 31st March, 2023

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	5	20,285.79	14,731.13
(b) Capital work-in-progress	5A	454.40	3,658.07
(c) Right of use assets	6	62.22	85.40
(d) Investment property	7	20.47	20.92
(e) Other intangible assets	8	10.49	9.45
(f) Intangible assets under development	8A	1.95	-
(g) Financial assets			
(i) Investments	9	18,832.87	17,673.96
(ii) Other financial assets	10	18.62	619.58
(h) Non-current tax assets (net)	11	126.97	114.90
(i) Other non-current assets	12	62.01	206.37
Total non-current assets		39,875.79	37,119.78
(2) Current assets			
(a) Inventories	13	10,032.18	8,769.83
(b) Financial assets			
(i) Investments	14	6,938.47	5,508.10
(ii) Trade receivables	15	3,384.60	4,946.56
(iii) Cash and cash equivalents	16	358.46	915.47
(iv) Other bank balances other than Note - 16	17	501.70	1,514.27
(v) Other financial assets	18	326.61	897.88
(c) Other current assets	19	775.81	935.68
Total current assets		22,317.83	23,487.79
TOTAL ASSETS		62,193.62	60,607.57
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	20	602.04	602.04
(b) Other equity	21	56,678.90	54,697.58
Total equity		57,280.94	55,299.62
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	-	7.41
(ii) Lease liabilities	23	16.10	49.51
(iii) Other financial liabilities	24	-	170.32
(b) Provisions	25	55.90	35.20
(c) Deferred tax liabilities (net)	26	1,137.52	1,290.65
(d) Other non-current liabilities	27	15.61	29.84
Total non-current liabilities		1,225.13	1,582.93
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	28	625.38	764.44
(ii) Lease liabilities	29	38.65	31.97
(iii) Trade payables	30	-	-
-Total outstanding dues of micro enterprises and small enterprises		6.11	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises		500.87	644.85
(iv) Other financial liabilities	31	1,845.39	1,752.26
(b) Other current liabilities	32	360.79	220.42
(c) Provisions	33	209.97	162.69
(d) Current tax liabilities (net)	34	100.39	148.39
Total current liabilities		3,687.55	3,725.02
TOTAL EQUITY AND LIABILITIES		62,193.62	60,607.57
Basis of accounting	2		
Significant accounting policies	3		
Significant judgement and key estimate	4		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

Gopal Jain
Partner
Membership No. 059147

Place: Kolkata
Dated the 25th day of May, 2023

Madhup Kumar Patni
Chief Financial Officer

Aditya Banerjee
Company Secretary

For and on behalf of the Board of Directors
Harsh Vardhan Kanoria
Chairman and Managing Director
Chief Executive Officer
(DIN - 0060259)

Utkarsh Kanoria

Wholetime Director
(DIN - 06950837)

Navin Nayar

Independent Director
(DIN - 00136057)

Statement of Profit and Loss for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31st March 2023	For the year ended 31st March 2022
I Revenue from operations	35	56,358.84	57,113.07
II Other income	36	1,072.16	2,250.22
III Total income (I+II)		57,431.00	59,363.29
IV Expenses			
(a) Cost of materials consumed	37	32,775.83	32,804.03
(b) Changes in inventories of finished goods and work-in-progress	38	(273.88)	3.06
(c) Employee benefits expense	39	7,771.80	6,983.33
(d) Finance costs	40	34.04	42.57
(e) Depreciation and amortisation expense	41	438.64	436.33
(f) Other expenses	42	9,538.12	8,913.73
Total expenses (IV)		50,284.55	49,183.05
V Profit before exceptional items and tax (III-IV)		7,146.45	10,180.24
VI Exceptional items		-	-
VII Profit before tax (V+VI)		7,146.45	10,180.24
VIII Tax expense	43		
(a) Current tax (including tax for earlier years)		1,770.32	2,317.56
(b) Deferred tax		(69.99)	(72.19)
Total tax expense (VIII)		1,700.33	2,245.37
IX Profit for the year (VII-VIII)		5,446.12	7,934.87
X Other comprehensive income/(loss)			
A. (i) Items that will not be reclassified to profit or loss			
(a) Changes in revaluation surplus		-	(5,739.02)
(b) Remeasurements of the defined benefit plans		83.10	252.54
(ii) Income tax relating to items that will not be reclassified to profit or loss	43	(62.23)	(912.40)
B. (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income/(loss) for the year (X)		145.33	(4,574.08)
XI Total comprehensive income for the year (IX+X)		5,591.45	3,360.79
XII Earnings per equity share (Face value of ₹ 10 /- each)	44		
(a) Basic (in ₹)		90.51	127.40
(b) Diluted (in ₹)		90.51	127.40
Basis of accounting	2		
Significant accounting policies	3		
Significant judgement and key estimate	4		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

For Singh & Co.
Chartered Accountants
Firm Registration No. 302049E

Gopal Jain
Partner
Membership No. 059147
Place: Kolkata
Dated the 25th day of May, 2023

Madhup Kumar Patni
Chief Financial Officer

Aditya Banerjee
Company Secretary

Harsh Vardhan Kanoria

Utkarsh Kanoria

Navin Nayar

Chairman and Managing Director
Chief Executive Officer
(DIN - 00060259)

Wholetime Director
(DIN - 06950837)

Independent Director
(DIN - 00136057)

Statement of Changes in Equity for the year ended 31st March, 2023

(₹ in Lakhs)

a. Equity share capital

Particulars	Amount
Balance as at 1st April, 2021	627.04
Less : Changes in equity share capital during the year	25.00
Balance as at 31st March, 2022	602.04
Less : Changes in equity share capital during the year	-
Balance as at 31st March, 2023	602.04

b. Other equity

Particulars	Reserves and surplus				Items of other comprehensive income		Total
	Capital reserve	General reserve	Capital redemption reserve	Retained earnings	Revaluation surplus	Remeasurements of the defined benefit plans	
Balance as at 1st April, 2021	0.24	38,064.29	49.92	14,155.68	15,320.01	-	67,590.14
Profit for the year	-	-	-	7,934.87	-	-	7,934.87
Other comprehensive income/(loss) for the year	-	-	-	-	(4,763.06)	188.98	(4,574.08)
Total comprehensive income for the year	-	-	-	7,934.87	(4,763.06)	188.98	3,360.79
Special dividend paid for F.Y. 2020-21	-	-	-	(10,967.03)	-	-	(10,967.03)
Transfer/utilisation on account of Buy-back of ordinary shares	-	(4,312.50)	25.00	-	-	-	(4,287.50)
Payment of income tax on Buy-back of ordinary shares	-	(998.82)	-	-	-	-	(998.82)
Transfer from other comprehensive income (remeasurement gain/loss net of tax) to retained earnings	-	-	-	188.98	-	(188.98)	-
Balance as at 31st March, 2022	0.24	32,752.97	74.92	11,312.50	10,556.95	-	54,697.58

Statement of Changes in Equity for the year ended 31st March, 2023 (contd..)

(₹ in Lakhs)

Particulars	Reserves and surplus				Items of other comprehensive income		Total
	Capital reserve	General reserve	Capital redemption reserve	Retained earnings	Revaluation surplus	Remeasurements of the defined benefit plans	
Balance as at 31st March, 2022	0.24	32,752.97	74.92	11,312.50	10,556.95	-	54,697.58
Profit for the year	-	-	-	5,446.12	-	-	5,446.12
Other comprehensive income/(loss) for the year *	-	-	-	-	83.14	62.19	145.33
Total comprehensive income for the year	-	-	-	5,446.12	83.14	62.19	5,591.45
Dividend paid for F.Y.2021-22	-	-	-	(3,610.13)	-	-	(3,610.13)
Transfer from other comprehensive income (remeasurement gain/loss net of tax) to retained earnings	-	-	-	62.19	-	(62.19)	-
Balance as at 31st March, 2023	0.24	32,752.97	74.92	13,210.68	10,640.09	-	56,678.90

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

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

Gopal Jain
Partner
Membership No. 059147

Place: Kolkata
Dated the 25th day of May, 2023

Madhup Kumar Patni
Chief Financial Officer

Aditya Banerjee
Company Secretary

For and on behalf of the Board of Directors

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

Utkarsh Kanoria Wholetime Director
(DIN - 06950837)

Navin Nayar Independent Director
(DIN - 00136057)

Statement of Cash Flows for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	For the year ended 31st March 2023		For the year ended 31st March 2022	
A. CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit before tax as per statement of profit and loss		7,146.45		10,180.24
Adjustments for:				
Depreciation and amortisation expense	438.64		436.33	
Unrealised foreign exchange (gain)/loss	4.97		(48.44)	
Income from deferred revenue grant	(16.84)		(20.52)	
Net (gain) / loss on sale of investments	106.86		(393.53)	
Net gain on fair value changes of investments measured at FVTPL	(323.12)		(1,024.32)	
Net (profit) / loss on sale of property, plant and equipment	(45.84)		188.90	
Interest income	(761.42)		(966.82)	
Dividend income	(4.17)		(6.06)	
Property, plant and equipment and other intangible assets written off	2.58		2.21	
Finance costs	34.04		42.57	
Liabilities no longer required written back	(6.23)	(570.53)	(12.14)	(1,801.82)
Operating profit before working capital changes		6,575.92		8,378.42
Adjustments for:				
(Increase)/decrease in inventories	(1,262.35)		(554.49)	
(Increase)/decrease in trade receivables	1,561.79		(737.11)	
(Increase)/decrease in other financial assets	248.18		(75.34)	
(Increase)/decrease in other assets	255.18		186.31	
Increase/(decrease) in trade payables	(131.88)		255.78	
Increase/(decrease) in other financial liabilities	(131.21)		488.67	
Increase/(decrease) in provisions	67.98		(9.01)	
Increase/(decrease) in other liabilities	150.53	758.22	42.96	(402.23)
Cash generated from operations		7,334.14		7,976.19
Direct taxes paid (net of refunds)		(1,832.36)		(2,378.74)
Net cash from operating activities		5,501.78		5,597.45

Statement of Cash Flows for the year ended 31st March, 2023 (contd..)

(₹ in Lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and other intangible assets (including changes in capital work-in-progress, capital advances/creditors)	(2,412.05)	(1,046.35)
Sale of property, plant and equipment	54.91	712.23
Purchase of investments	(24,126.45)	(18,475.00)
Sale of investments	21,707.07	28,838.52
Redemption of fixed deposits with bank (maturity of more than three months)	1,625.00	248.85
Interest received	922.41	1,053.50
Dividend received	4.96	5.53
Net cash from/(used in) investing activities	(2,224.15)	11,337.28
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of non-current borrowings	(14.82)	(14.81)
Payment of lease liabilities (including interest thereon)	(41.36)	(37.40)
Repayment of current borrowings (net)	(131.65)	(69.79)
Payment for Buy-back of ordinary shares	-	(4,312.50)
Payment of income tax for Buy-back of ordinary shares	-	(998.82)
Dividend paid	(3,610.13)	(10,967.03)
Interest and other finance charges paid	(36.74)	(34.18)
Net cash (used in) financing activities	(3,834.70)	(16,434.53)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(557.07)	500.20
Cash and cash equivalents (opening balance)	915.47	404.96
Effect of exchange rate changes on cash and cash equivalents	0.06	10.31
Cash and cash equivalents (closing balance)	358.46	915.47

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Notes:		
1. Cash and cash equivalents (Refer Note - 16) included in the cash flows statement comprise the following balance sheet amounts:		
Cash on hand	3.00	2.99
Cheques on hand	-	0.89
Balances with banks	355.46	911.59
Cash and cash equivalents (closing balance)	358.46	915.47
2. The above cash flows statement has been prepared under 'Indirect Method' as set out in Ind AS - 7, "Statement of Cash Flows".		

Statement of Cash Flows for the year ended 31st March, 2023 (contd..)

(₹ in Lakhs)

3. Statement of reconciliation of financing activities :

Particulars	Borrowings (Non-current) (including current maturities)	Borrowings (Current)
Balance as at 1st April, 2021 (including interest accrued thereon)	37.04	819.41
Cash flow (net)	(14.81)	(69.79)
Non-cash changes		
- Fair value changes	-	-
Interest expense	2.69	10.93
Interest paid	(2.69)	(10.93)
Balance as at 31st March, 2022 (including interest accrued thereon)	22.23	749.62
Cash flow (net)	(14.82)	(131.65)
Non-cash changes		
- Fair value changes	-	-
Interest expense	1.29	10.86
Interest paid	(1.29)	(10.86)
Balance as at 31st March, 2023 (including interest accrued thereon)	7.41	617.97

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

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

Gopal Jain
Partner
Membership No. 059147

Place: Kolkata
Dated the 25th day of May, 2023

Madhup Kumar Patni
Chief Financial Officer

Aditya Banerjee
Company Secretary

For and on behalf of the Board of Directors

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

Utkarsh Kanoria
Wholetime Director
(DIN - 06950837)

Navin Nayar
Independent Director
(DIN - 00136057)

Notes to the Financial Statements for the year ended 31st March, 2023

1. CORPORATE AND GENERAL INFORMATION

Cheviot Company Limited (the "Company") is a Public Limited Company incorporated in India. The Company has its registered office at 24, Park Street, Celica House, 9th Floor, Celica Park, Kolkata-700016. The Company is listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

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

2. BASIS OF ACCOUNTING

2.1. Statement of Compliance

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

Accounting Policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

The Board of Directors have approved the financial statements for the year ended 31st March, 2023 and authorised for issue on 25th May, 2023. These financial statements shall be placed before the ensuing annual general meeting of the Company for the approval of the shareholders.

2.2. Basis of Preparation

The financial statements have been prepared on a historical cost basis except certain items that are measured at fair value as explained in accounting policies and Freehold land which have been measured on revaluation model.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

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.

Notes to the Financial Statements for the year ended 31st March, 2023

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.

2.6. Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1st April, 2023, as below:

- a. **Ind AS 1 – Material accounting policies** - The amendments mainly related to shifting of disclosure of erstwhile "significant accounting policies" in the notes to the financial statements to material accounting policy information requiring companies to reframe their accounting policies to make them more "entity specific". This amendment aligns with the "material" concept already required under International Financial Reporting Standards (IFRS). The Company does not expect the amendment to have any significant impact in its financial statements.
- b. **Ind AS 8 – Definition of accounting estimates** - The amendments specify definition of 'change in accounting estimate' replaced with the definition of 'accounting estimates'. The Company does not expect the amendment to have any significant impact in its financial statements.
- c. **Ind AS 12 – Income taxes - Annual Improvements to Ind AS (2021)** - The amendment clarifies that in cases of transactions where equal amounts of assets and liabilities are recognised on initial recognition, the initial recognition exemption does not apply. Also, If a company has not yet recognised deferred tax asset and deferred tax liability on right-of-use assets and lease liabilities or has recognised deferred tax asset or deferred tax liability on net basis, that company shall have to recognise deferred tax assets and deferred tax liabilities on gross basis based on the carrying amount of right-of-use assets and lease liabilities existing at the beginning of 1st April 2022. The Company does not expect the amendment to have any significant impact in its financial statements.

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.

Notes to the Financial Statements for the year ended 31st March, 2023

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.

b) Deferred Tax

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

3.4. Property, Plant and Equipment

a) Recognition and Measurement:

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

Notes to the Financial Statements for the year ended 31st March, 2023

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.

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.

Notes to the Financial Statements for the year ended 31st March, 2023

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.

(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.

Notes to the Financial Statements for the year ended 31st March, 2023

3.6. Revenue Recognition

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each arrangement.

a) Sale of Goods

Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The Performance Obligations in sales contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms with customers.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Transaction price is the amount of consideration in the contract to which the Company expects to be entitled in exchange for transferring the promised goods or services.

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) Benefits under Duty Drawback Scheme/Other Export Benefits

Revenue in respect of above benefits is recognized on post export basis and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

c) Insurance claims

Insurance claims are accounted for on the basis of acceptance of claims and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

d) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

e) Dividend income

Dividends are recognised at the time the right to receive payment is established.

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.

Notes to the Financial Statements for the year ended 31st March, 2023

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.

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).

Notes to the Financial Statements for the year ended 31st March, 2023

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.

a) Financial Assets

- **Initial Recognition and 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. However trade receivables that do not contain a significant financing component are measured at transaction price.

- **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.

Notes to the Financial Statements for the year ended 31st March, 2023

➤ 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.

➤ 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 recognises 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

• **Initial Recognition and 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.

Notes to the Financial Statements for the year ended 31st March, 2023

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 and loss immediately.

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, 2023

c) Amortisation

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

d) Intangible Assets under Development

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

3.15. Investment Properties

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

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

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

3.17. Earnings Per Share

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

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

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.

Notes to the Financial Statements for the year ended 31st March, 2023

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 Companies Act, 2013 and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

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

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

a) Recognition of Deferred Tax Assets:

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

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

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

c) Extension and Termination Option in Leases:

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

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

Notes to the Financial Statements for the year ended 31st March, 2023

d) Defined Benefit Obligation (DBO):

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

e) Provisions and Contingencies:

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

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) 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.

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

5. PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold Land	Buildings	Plant and equipment	Electrical installations and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Cost								
As at 1st April, 2021	16,990.92	7,733.49	12,603.66	1,460.03	350.76	157.45	287.24	39,583.55
Additions	-	187.63	69.23	8.01	-	57.09	20.54	342.50
Disposals/write off/Change due to revaluation	5,739.02	1,103.30	109.47	38.57	50.58	29.24	33.09	7,103.27
As at 31st March, 2022	11,251.90	6,817.82	12,563.42	1,429.47	300.18	185.30	274.69	32,822.78
Additions	-	3,740.84	1,897.51	162.19	112.24	42.07	19.47	5,974.32
Disposals / write off	-	-	133.64	75.29	3.42	44.89	60.68	317.92
As at 31st March, 2023	11,251.90	10,558.66	14,327.29	1,516.37	409.00	182.48	233.48	38,479.18
Accumulated depreciation/ amortisation								
As at 1st April, 2021	-	4,975.06	11,195.27	1,327.00	327.46	86.57	249.95	18,161.31
Charge for the year	-	102.59	249.43	15.33	1.17	14.77	15.46	398.75
Disposals / write off	-	230.37	99.35	36.82	48.15	22.26	31.46	468.41
As at 31st March, 2022	-	4,847.28	11,345.35	1,305.51	280.48	79.08	233.95	18,091.65
Charge for the year	-	106.93	236.70	16.59	4.73	18.33	17.42	400.70
Disposals / write off	-	-	129.02	73.96	3.24	33.82	58.92	298.96
As at 31st March, 2023	-	4,954.21	11,453.03	1,248.14	281.97	63.59	192.45	18,193.39
Net Block								
As at 31st March, 2022	11,251.90	1,970.54	1,218.07	123.96	19.70	106.22	40.74	14,731.13
As at 31st March, 2023	11,251.90	5,604.45	2,874.26	268.23	127.03	118.89	41.03	20,285.79

Notes:

- 1) Refer Note - 22 and 28 for information on property, plant and equipment pledged as security by the Company.
- 2) Refer Note - 45.2 for disclosure on contractual commitment for acquisition of property, plant and equipment.
- 3) Freehold land having original cost of ₹ 3.11 was revalued in earlier years based on valuation report by an independent external valuer and the last revaluation was done by an independent valuer registered under the Companies Act, 2013 as at 31st March, 2022 amounted to ₹ 11,251.90. There has been no revaluation done during the current year.
- 4) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company. However, mutation of land in company's name in Government Land Records is pending in the following case :

Description of item of Property	Gross carrying value (₹)	Title Deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
Certain portions of Freehold Land situated at Mouza Hetalkhali under Budge Budge Municipality in the State of West Bengal	0.20	Cheviot Company Limited	No	Year 1920 / 1933	Mutation of land for name change in respect of certain portions of freehold land received from M/s Chitpore Golabari Company Limited through perpetual lease / settlement operation is pending.

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

5A. Capital work-in-progress

Descriptions	As at 31st March 2023	As at 31st March 2022
Balance at the beginning of the year	3,658.07	3,222.71
Add : Additions during the year	2,609.72	577.12
Less: Capitalisations during the year	5,813.39	141.76
Balance at the end of the year	454.40	3,658.07

5A.1 Ageing schedule of Capital work-in-progress (CWIP) is as below :

Amount in CWIP for a period of	As at 31st March 2023		As at 31st March 2022	
	Projects in progress	Projects temporarily suspended	Projects in progress	Projects temporarily suspended
Less than 1 Year	454.40	-	577.12	-
1-2 Years	-	-	485.02	-
2-3 Years	-	-	1,183.86	-
More than 3 Years	-	-	1,412.07	-
Total	454.40	-	3,658.07	-

5A.2 There are no projects as on each reporting period where activity had been suspended. Also there are no projects as on the each reporting period which has exceeded its cost as compared to its original plan or where completion is overdue.

6. RIGHT OF USE ASSETS

Particulars	Leasehold Land
Cost	
As at 1st April, 2021	168.16
Additions	-
Disposals	-
As at 31st March, 2022	168.16
Additions	9.06
Disposals	-
As at 31st March, 2023	177.22
Accumulated depreciation	
As at 1st April, 2021	52.09
Charge for the year	30.67
Disposals	-
As at 31st March, 2022	82.76
Charge for the year	32.24
Disposals	-
As at 31st March, 2023	115.00
Net Block	
As at 31st March, 2022	85.40
As at 31st March, 2023	62.22

6.1 Lease deed of all Right of use (ROU) assets are held in the name of the Company.

6.2 Refer Note - 52 for detailed disclosure as per Ind AS 116.

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

7. INVESTMENT PROPERTY

Particulars	Leasehold land	Building	Total
Cost			
As at 1st April, 2021	5.76	17.83	23.59
Additions	-	-	-
As at 31st March, 2022	5.76	17.83	23.59
Additions	-	-	-
As at 31st March, 2023	5.76	17.83	23.59
Accumulated amortisation/depreciation			
As at 1st April, 2021	0.45	1.78	2.23
Charge for the year	0.09	0.35	0.44
As at 31st March, 2022	0.54	2.13	2.67
Charge for the year	0.09	0.36	0.45
As at 31st March, 2023	0.63	2.49	3.12
Net Block			
As at 31st March, 2022	5.22	15.70	20.92
As at 31st March, 2023	5.13	15.34	20.47

Notes:

(i) Contractual obligations

There are no contractual obligation to purchase, construct or develop investment property or for its repair, maintenance or enhancement at the balance sheet date.

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

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Rental income	-	-
Less: Direct operating expenses that generate rental income	-	-
Less: Direct operating expenses that did not generate rental income	0.67	0.42
Profit/(loss) on investment properties before depreciation	(0.67)	(0.42)
Less: Amortisation/depreciation	0.45	0.44
Profit/(loss) on investment properties	(1.12)	(0.86)

(iii) Fair value of investment properties

Particulars	As at 31st March 2023	As at 31st March 2022
Land	402.37	391.50
Building	71.21	73.90
	473.58	465.40

The above fair value has been arrived on the basis of valuation performed by an independent valuer registered under the Companies Act, 2013 having appropriate professional qualification and recent experience in the valuation of properties in relevant location.

(iv) Estimation of fair value

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

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

8. OTHER INTANGIBLE ASSETS

Particulars	Computer Software
Cost	
As at 1st April, 2021	116.80
Additions	3.53
Disposals/write off	0.98
As at 31st March, 2022	119.35
Additions	6.48
Disposals/write off	16.22
As at 31st March, 2023	109.61
Accumulated amortisation	
As at 1st April, 2021	104.41
Charge for the year	6.47
Disposals/write off	0.98
As at 31st March, 2022	109.90
Charge for the year	5.25
Disposals/write off	16.03
As at 31st March, 2023	99.12
Net Block	
As at 31st March, 2022	9.45
As at 31st March, 2023	10.49

Refer Note - 45.2 for disclosure on contractual commitment for acquisition of other intangible assets.

8A. Intangible assets under development

Particulars	As at 31st March 2023	As at 31st March 2022
Balance at the beginning of the year	-	-
Add : Additions during the year	1.95	-
Less: Capitalisations during the year	-	-
Balance at the end of the year	1.95	-

8A.1 Ageing schedule of Intangible assets under development (IAUD) is as below :

Amount in IAUD for a period of	As at 31st March 2023		As at 31st March 2022	
	Projects in progress	Projects temporarily suspended	Projects in progress	Projects temporarily suspended
Less than 1 Year	1.95	-	-	-
1-2 Years	-	-	-	-
2-3 Years	-	-	-	-
More than 3 Years	-	-	-	-
Total	1.95	-	-	-

8A.2 There are no projects as on reporting period where activity had been suspended. Also there are no projects as on the reporting period which has exceeded its cost as compared to its original plan or where completion is overdue.

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

9. INVESTMENTS (NON-CURRENT)

Particulars	Face Value per share/ bond/unit (₹)	As at 31st March 2023		As at 31st March 2022	
		Shares/ Bonds/Units	Amount	Shares/ Bonds/Units	Amount
(fully paid-up unless otherwise stated)					
A. INVESTMENTS AT AMORTISED COST					
Investments in Government Securities (Quoted)					
8.20% Government of India Bonds 2025	100	-	-	5,00,000	525.51
7.59% Government of India Bonds 2026	100	-	-	10,00,000	1,078.44
7.27% Government of India Bonds 2026	100	-	-	5,00,000	511.74
8.24% Government of India Bonds 2027	100	-	-	5,00,000	528.88
7.17% Government of India Bonds 2028	100	-	-	5,00,000	511.30
7.59% Government of India Bonds 2029	100	-	-	5,00,000	516.62
6.45% Government of India Bonds 2029	100	-	-	10,00,000	1,033.77
Subtotal			-		4,706.26
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 Renewable Energy Development Agency Limited					
8.55% Tax Free Bonds, Tranche I, Series IIIA, 13-MAR-2034	1,000	40,000	400.00	40,000	400.00
National Highway Authority of India					
8.30% Tax Free Bonds, Tranche 1, Series 2 (II), 25-JAN-2027	1,000	4,945	49.45	4,945	49.45
8.50% Tax Free Bonds Tranche I Series IIA, 05-FEB-2029	1,000	40,000	400.00	40,000	400.00
7.28% Tax Free Bonds Series - II B, 18-SEP-2030	10,00,000	20	200.07	20	200.08
National Housing Bank					
8.76% Tax Free Bonds, Tranche I, Series 3A, 13-JAN-2034	5,000	6,166	313.25	6,166	313.53
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	1,565.42
7.15% Tax Free Bonds, Series 55, 21-AUG-2025	10,00,000	-	-	50	518.79
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

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Face Value per share/ bond/unit (₹)	As at 31st March 2023		As at 31st March 2022	
		Shares/ Bonds/Units	Amount	Shares/ Bonds/Units	Amount
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			4,174.26		6,258.76
Subtotal (A)			4,174.26		10,965.02
B. INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME					
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 (B)			0.32		0.32
C. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS					
Investments in Mutual Funds (Quoted)					
Edelweiss Mutual Fund					
Bharat Bond ETF - April 2033 - Regular - Growth	1,000	49,997.000	508.08	-	-
HDFC Mutual Fund					
HDFC FMP 3360D March 2014 (1) Series 30 - Regular - Growth	10	-	- *	84,00,000.000	1,469.71
Nippon India Mutual Fund					
Nippon India ETF Nifty Fifty Bees	1	9,34,000.000	1,773.29	-	-
Subtotal			2,281.37		1,469.71
Investments in Real Estate Investment Trust (Quoted)					
Brookfield India Real Estate Trust	Not applicable	1,75,000.000	489.70	-	-
Subtotal			489.70		-
Investments in Mutual Funds (Unquoted)					
Aditya Birla Sun Life Mutual Fund					
Aditya Birla Sun Life Pure Value Fund - Direct Plan - Growth	10	-	-	18,04,244.614	1,389.41
Aditya Birla Sun Life Nifty SDL April 2027 Index Fund-Direct Plan - Growth	10	49,09,416.744	513.87	-	-
Bandhan Mutual Fund (Formerly IDFC Mutual Fund)					
Bandhan CRISIL Gilt 2028 Index Fund - Direct - Growth	10	93,77,578.987	1,026.78	-	-
Edelweiss Mutual Fund					
Bharat Bond FOF - April 2030 - Regular - Growth	10	81,61,990.993	1,021.17	-	-
Bharat Bond FOF - April 2031 - Regular - Growth	10	90,58,708.905	1,009.51	-	-
Bharat Bond ETF FOF - April 2032 - Regular - Growth	10	1,94,61,658.504	2,036.02	-	-
Bharat Bond ETF FOF - April 2033 - Regular - Growth	10	99,62,084.026	1,014.12	-	-

^ Amount below ₹ 500/-

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Face Value per share/ bond/unit (₹)	As at 31st March 2023		As at 31st March 2022	
		Shares/ Bonds/Units	Amount	Shares/ Bonds/Units	Amount
Franklin Templeton Mutual Fund					
Franklin India Focused Equity Fund- Direct- Growth	10	14,13,686.269	1,051.44	14,13,686.269	1,007.09
Kotak Mahindra Mutual Fund					
Kotak Nifty SDL April 2027 top 12 Equal Weight Index Fund - Direct Plan - Growth	10	49,57,266.240	513.96	-	-
Kotak Nifty SDL April 2032 top 12 Equal Weight Index Fund - Direct Plan - Growth	10	1,95,48,477.228	2,046.49	-	-
Mirae Asset Mutual Fund					
Mirae Asset Large Cap Fund - Direct - Growth	10	-	-	10,90,631.476	920.90
SBI Mutual Fund					
SBI Flexicap Fund - Direct Plan - Growth	10	9,24,551.939	747.00	9,24,551.939	764.82
Subtotal			10,980.36		4,082.22
Investments in Alternative Investment Funds (Unquoted)					
360 ONE Asset Management Limited (Formerly IIFL Asset Management Limited)					
360 ONE Special Opportunities Fund (Formerly IIFL Special Opportunities Fund)	4.4431	-	- *	18,60,518.129	165.80
360 ONE Special Opportunities Fund - Series 5 (Formerly IIFL Special Opportunities Fund - Series 5) (previous year face value ₹ 4.6743 /unit)	3.9385	20,59,061.861	130.21	20,59,061.861	180.87
360 ONE Special opportunities Fund - Series 7 (Formerly IIFL Special Opportunities Fund - Series 7) (previous year face value ₹ 10.0000 /unit)	6.0010	9,72,433.108	108.42	9,72,433.108	175.45
IIFL India Housing Fund (previous year face value ₹ 7.6830/unit)	5.2250	55,50,967.360	413.23	56,26,121.523	559.57
BPEA Investment Managers Private Limited #					
BPEA Credit - India Fund III - Scheme F	100	2,55,000.000	255.00	75,000.000	75.00
Subtotal			906.86		1,156.69
Subtotal (C)			14,658.29		6,708.62
TOTAL (A+B+C)			18,832.87		17,673.96
Aggregate amount of quoted investments			6,945.33		12,434.73
Aggregate market value of quoted investments			7,875.68		13,596.63
Aggregate amount of unquoted investments			11,887.54		5,239.23

* Current year figures have been shown under Current Investments (Refer note 14) as these are maturing within 12 months from the reporting date.

Refer Note - 45.2 for disclosure on contractual commitment for acquisition of Investments.

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

10. OTHER FINANCIAL ASSETS (NON-CURRENT)

Particulars	As at 31st March 2023	As at 31st March 2022
Fixed deposit accounts with bank (maturity over 12 months from balance sheet date)	-	600.00
Security deposits	9.61	10.72
Advances given to employees	9.01	8.86
	18.62	619.58

11. NON-CURRENT TAX ASSETS (NET)

Particulars	As at 31st March 2023	As at 31st March 2022
Advance income tax and refund due (net of provision)	126.97	114.90
	126.97	114.90

12. OTHER NON-CURRENT ASSETS

Particulars	As at 31st March 2023	As at 31st March 2022
Capital advances	27.10	159.25
Others		
- Prepaid expenses	5.10	12.54
- Indirect tax refundable	29.81	34.58
	62.01	206.37

13. INVENTORIES

Particulars	As at 31st March 2023	As at 31st March 2022
(Valued at lower of cost and net realisable value)		
Raw materials	5,407.19	4,363.08
Work-in-progress	1,740.52	1,384.16
Finished goods	2,302.39	2,384.87
Stores and spares	579.73	636.35
Loose tools	2.35	1.37
	10,032.18	8,769.83
The above includes goods in transit as under:		
Finished goods	305.12	467.94
	305.12	467.94

- 1) Mode of valuation - Refer Note 3.1 of significant accounting policies.
- 2) Refer Note - 22 and 28 for information on hypothecation of inventories.

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

14. INVESTMENTS (CURRENT)

Particulars	Face Value per share/bond/unit (₹)	As at 31st March 2023		As at 31st March 2022	
		Shares/Bonds/Units	Amount	Shares/Bonds/Units	Amount
(fully paid-up unless otherwise stated)					
A. INVESTMENTS AT AMORTISED COST					
Investments in Debentures or Bonds (Quoted)					
NTPC Limited					
8.41% Tax Free Bonds, Series 1A, 16-DEC-2023	1,000	1,50,000	1,533.67 *	-	-
Subtotal			1,533.67	-	-
Investments in Preference Share (Quoted)					
Infrastructure Leasing and 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 investment			(204.00)		(204.00)
Subtotal			-		-
Subtotal (A)			1,533.67		-
B. INVESTMENTS AT FAIRVALUE THROUGH PROFIT OR LOSS					
Investments in Mutual Funds (Quoted)					
Bandhan Mutual Fund (Formerly IDFC Mutual Fund)					
Bandhan Fixed Term Plan Series 152 - Direct - Growth (Formerly IDFC Fixed Term Plan Series 152-Direct-Growth)	10	-	-	50,00,000.000	660.53
HDFC Mutual Fund					
HDFCFMP3360D March 2014(1) Series 30-Regular-Growth	10	84,00,000.000	1,550.31 *	-	-
UTI Mutual Fund					
UTI Fixed Term Income Fund Series XXX - VIII (1286 Days) - Direct Growth Plan	10	-	-	50,00,000.000	664.73
Subtotal			1,550.31		1,325.26
Investments in Mutual Funds (Unquoted)					
Aditya Birla Sun Life Mutual Fund					
Aditya Birla Sun Life Liquid Fund - Direct - Growth	100	90,513.212	328.64	90,513.212	310.57
Aditya Birla Sun Life Arbitrage Fund - Direct- Growth	10	-	-	50,25,509.639	1,143.51
Axis Mutual Fund					
Axis Liquid Fund - Direct - Growth	1,000	72,561.590	1,814.68	-	-
Axis Arbitrage Fund - Direct - Growth	10	-	-	80,31,873.374	1,300.07

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Face Value per share/bond/unit (₹)	As at 31st March 2023		As at 31st March 2022	
		Shares/Bonds/Units	Amount	Shares/Bonds/Units	Amount
ICICI Prudential Mutual Fund					
ICICI Prudential Liquid Fund - Direct - Growth	100	97,899.931	326.19	97,899.931	308.64
Kotak Mahindra Mutual Fund					
Kotak Equity Arbitrage Fund -Direct Plan - Growth	10	22,63,049.037	759.21	16,34,594.326	517.66
Nippon India Mutual Fund					
Nippon India Arbitrage Fund - Direct Growth Plan	10	20,76,977.113	501.36	-	-
SBI Mutual Fund					
SBI Liquid Fund - Direct Plan - Growth	1,000	-	-	18,072.962	602.39
Subtotal			3,730.08		4,182.84
Investments in Alternative Investment Funds (Unquoted)					
360 ONE Asset Management Limited (Formerly IIFL Asset Management Limited)					
360 ONE Special Opportunities Fund (Formerly IIFL Special Opportunities Fund)	3.6870	18,60,518.129	124.41 *	-	-
Subtotal			124.41		-
Subtotal (B)			5,404.80		5,508.10
TOTAL (A+B)			6,938.47		5,508.10
Aggregate amount of quoted investments			3,083.98		1,325.26
Aggregate market value of quoted investments			3,084.21		1,325.26
Aggregate amount of unquoted investments			3,854.49		4,182.84
Aggregate amount of impairment in value of investments			204.00		204.00

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

Investment in preference shares with Infrastructure Leasing and Financial Services Limited (IL&FS Limited) were due for redemption on 15th October 2022. IL&FS Limited has earlier defaulted in paying dividend and maturity amount on its redemption. The matter of IL&FS Limited is pending before NCLT and NCLAT, New Delhi. The investments in preference shares have not been written off as the Company still holds the same in its demat account.

15. TRADE RECEIVABLES

Particulars	As at 31st March 2023	As at 31st March 2022
Trade receivables considered good - Secured	41.62	-
Trade receivables considered good - Unsecured	3,342.98	4,946.56
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Less: Allowance for doubtful receivables	-	-
	3,384.60	4,946.56

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

15.1 Ageing schedule of trade receivables is as below :

As at 31st March, 2023

Particulars	Not Due	Outstanding for following periods from due date of Payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	3,178.24	206.36	-	-	-	-	3,384.60
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
	3,178.24	206.36	-	-	-	-	3,384.60

As at 31st March, 2022

Particulars	Not Due	Outstanding for following periods from due date of Payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	4,694.38	252.18	-	-	-	-	4,946.56
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
	4,694.38	252.18	-	-	-	-	4,946.56

15.1 There are no unbilled trade receivables at each reporting date.

15.2 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.

15.3 Refer Note - 22 and 28 for information on hypothecation of trade receivables.

15.4 Refer Note - 55.3(a)(i) for disclosure on credit risk.

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

16. CASH AND CASH EQUIVALENTS

Particulars	As at 31st March 2023	As at 31st March 2022
Balances with banks		
- in current accounts	127.14	598.52
- in cash credit sub-limit accounts	228.32	313.07
Cheques on hand	-	0.89
Cash on hand	3.00	2.99
	358.46	915.47

17. OTHER BANK BALANCES OTHER THAN NOTE - 16

Particulars	As at 31st March 2023	As at 31st March 2022
Fixed deposits having maturity less than 12 months from balance sheet date	325.00	1,350.00
Unpaid dividend accounts	175.90	163.46
Fractional bonus share account	0.80	0.81
	501.70	1,514.27

Fixed deposit accounts with maturity of more than 12 months from balance sheet date amounting to ₹ Nil (31st March, 2022 ₹ 600.00) being non-current has been shown under the head other financial assets (non-current) (Refer Note 10).

18. OTHER FINANCIAL ASSETS (CURRENT)

Particulars	As at 31st March 2023	As at 31st March 2022
Interest accrued on investments and fixed deposits	112.09	213.25
Export incentives receivable	115.16	308.90
Security deposits	60.00	-
Advances given to employees	8.07	7.20
Mark to market gain on forward contract	-	28.60
Other receivables *	31.29	339.93
	326.61	897.88

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

19. OTHER CURRENT ASSETS

Particulars	As at 31st March 2023	As at 31st March 2022
Advance against supply of goods and services	98.17	84.70
Others		
-Excess of plan assets over defined benefit obligation (Refer Note - 48.2)	254.61	397.66
-Balances with Government authorities	129.95	144.79
-Prepaid expenses	246.42	271.88
-Indirect tax refundable	40.64	33.33
-Other advances	6.02	3.32
	775.81	935.68

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, 2023

(₹ in Lakhs)

20. EQUITY SHARE CAPITAL

Particulars	As at 31st March 2023		As at 31st March 2022	
	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	60,16,875	601.69	60,16,875	601.69
Ordinary shares of ₹ 10/- each not fully paid up and forfeited (amount originally paid up)		0.35		0.35
	60,16,875	602.04	60,16,875	602.04

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

Particulars	As at 31st March 2023		As at 31st March 2022	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	60,16,875	601.69	62,66,875	626.69
Less : Buy-back of shares	-	-	2,50,000	25.00
At the end of the year	60,16,875	601.69	60,16,875	601.69

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 2023		As at 31st March 2022	
	No. of Shares	% Holding	No. of Shares	% Holding
Ordinary shares of ₹ 10/- each, fully paid up				
Harsh Investments Private Limited	38,27,491	63.61%	38,27,491	63.61%

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

Name of shareholders	As at 31st March 2023		As at 31st March 2022	
	No. of Shares	% Holding	No. of Shares	% Holding
Ordinary shares of ₹ 10/- each, fully paid up				
Harsh Investments Private Limited (Holding Company)	38,27,491	63.61%	38,27,491	63.61%
Mr. Harsh Vardhan Kanoria	4,44,867	7.39%	4,44,867	7.39%

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

e) Details of Promoters' shareholding in the Company

Name of Promoter and Promoter Group	% change during the year	As at 31st March 2023		As at 31st March 2022	
		No of Shares	% of Total Shares	No. of Shares	% of Total Shares
Harsh Investments Private Limited (Holding Company)	0.00%	38,27,491	63.61%	38,27,491	63.61%
Mr. Harsh Vardhan Kanoria	0.00%	4,44,867	7.39%	4,44,867	7.39%
Mrs. Malati Kanoria	0.00%	7,546	0.13%	7,546	0.13%
Mr. Utkarsh Kanoria	0.00%	2,20,422	3.66%	2,20,422	3.66%
Abhyadoot Finance and Investments Private Limited	0.00%	557	0.01%	557	0.01%
Cheviot Agro Industries Private Limited	0.00%	1,214	0.02%	1,214	0.02%
Cheviot International Limited	0.00%	197	0.00%	197	0.00%

There is no change in promoters' shareholding during the year.

As per records of the Company, including its register of shareholders/members as on 31st March, 2023, the above shareholding represents legal ownership of shares.

- f) The Company had bought back 2,00,000 ordinary shares of face value of ₹ 10/- each during the financial year 2017-18, 2,00,000 ordinary shares of face value of ₹ 10/- each during the financial year 2020-21 and 2,50,000 ordinary shares of face value of ₹ 10/- each during the financial year 2021-22.
- g) The Company had issued and allotted 21,55,625 bonus ordinary shares of face value of ₹ 10/- each during the financial year 2018-19.
- h) 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.
- i) No securities convertible into equity/preference shares have been issued by the Company during the year.
- j) No calls are unpaid by any director or officer of the Company during the year.

21. OTHER EQUITY

Particulars	Note Reference	As at 31st March 2023	As at 31st March 2022
Capital reserve	21.1	0.24	0.24
General reserve	21.2	32,752.97	32,752.97
Capital redemption reserve	21.3	74.92	74.92
Retained earnings	21.4	13,210.68	11,312.50
Other comprehensive income reserve	21.5	10,640.09	10,556.95
		56,678.90	54,697.58

21.1 Capital reserve

Particulars	As at 31st March 2023	As at 31st March 2022
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

21.2 General reserve

Particulars	As at 31st March 2023	As at 31st March 2022
Balance at the beginning of the year	32,752.97	38,064.29
Less: Utilised on Buy-back of ordinary shares	-	4,287.50
Less: Payment of income tax on Buy-back of ordinary shares	-	998.82
Less: Transfer to capital redemption reserve pursuant to Buy-back of ordinary shares	-	25.00
Balance at the end of the year	32,752.97	32,752.97

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

21.3 Capital redemption reserve

Particulars	As at 31st March 2023	As at 31st March 2022
Balance at the beginning of the year	74.92	49.92
Add: Transfer from general reserve pursuant to Buy-back of ordinary shares	-	25.00
Balance at the end of the year	74.92	74.92

21.4 Retained earnings

Particulars	As at 31st March 2023	As at 31st March 2022
Balance at the beginning of the year	11,312.50	14,155.68
Add: Profit for the year	5,446.12	7,934.87
Add: Transfer from other comprehensive income - Remeasurements of the defined benefit plans (net of tax)	62.19	188.98
Less: Appropriations		
Dividend for F.Y.2021-22, ₹ 60/- per ordinary share (F.Y 2020-21, special dividend of ₹ 175/- per ordinary share)	3,610.13	10,967.03
Balance at the end of the year	13,210.68	11,312.50

21.5 Other comprehensive income reserve

Particulars	As at 31st March 2023	As at 31st March 2022
a) Revaluation surplus		
Balance at the beginning of the year (net of deferred tax)	10,556.95	15,320.01
Add : Change during the year	-	(5,739.02)
Less: Impact of deferred tax	(83.14)	(975.96)
Balance at the end of the year	10,640.09	10,556.95
b) Remeasurements of the defined benefit plans		
Balance at the beginning of the year	-	-
Add: Remeasurement gain	83.10	252.54
Less: Current tax on above	20.91	63.56
Less: Transferred to retained earnings	62.19	188.98
Balance at the end of the year	-	-
Total of other comprehensive income reserve (a + b)	10,640.09	10,556.95

Nature and purpose of other equity

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.

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

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 Buy-back of ordinary shares from the General reserve during financial year ended 31st March, 2018, 31st March, 2021 and 31st March, 2022 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.

Retained earnings

Retained earnings represents the cumulative profits of the Company after appropriation. Retained earnings can be utilised in accordance with the provisions of the Companies Act, 2013.

Other comprehensive income reserve

Revaluation surplus

Revaluation surplus represents the gain/(loss), net of deferred tax, on revaluation of freehold land. The same is not available for distribution to the shareholders.

Remeasurements of the defined benefit plans

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

22. BORROWINGS (NON-CURRENT)

Particulars	As at 31st March 2023	As at 31st March 2022
Term loan (secured, at amortised cost)		
From Export Import Bank of India	7.41	22.23
Less: Current portion (disclosed under current borrowings - Refer Note - 28)	7.41	14.82
	-	7.41

- 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. The loan is further secured by mortgage of specific immovable properties located at Budge Budge on first charge basis.
- Outstanding amount including current maturities of term loan taken from Export Import Bank of India is repayable in 2 equal quarterly instalments of ₹ 3.70 each by July, 2023. The rate of interest is LTMLR plus 1% p.a, effective rate 9.20% p.a. (31st March, 2022 : 9.05% 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.

23. LEASE LIABILITIES (NON-CURRENT)

Particulars	As at 31st March 2023	As at 31st March 2022
Lease liabilities (Refer Note - 52)	16.10	49.51
	16.10	49.51

24. OTHER FINANCIAL LIABILITIES (NON-CURRENT)

Particulars	As at 31st March 2023	As at 31st March 2022
Capital creditors *	-	138.07
Security deposits from contractors	-	32.25
	-	170.32

* Represents balance in respect of retention money.

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

25. PROVISIONS (NON-CURRENT)

Particulars	As at 31st March 2023	As at 31st March 2022
Provision for leave	55.90	35.20
	55.90	35.20

26. DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31st March 2023	As at 31st March 2022
Deferred tax liabilities		
Arising on account of :		
Depreciable assets	402.95	337.61
Fair value gain on financial instruments	215.95	336.69
Mark to market gain on forward contract	-	7.20
On revaluation of freehold land	608.70	691.84
	1,227.60	1,373.34
Deferred tax assets		
Arising on account of :		
Disallowances under the Income Tax Act, 1961	67.78	50.67
Mark to market loss on forward contract	1.25	-
Deferred revenue grant	7.28	11.52
Lease liabilities	13.77	20.50
	90.08	82.69
Deferred Tax Liabilities (Net)	1,137.52	1,290.65

26.1 Movement in deferred tax assets and liabilities during the year ended 31st March, 2022 and 31st March, 2023

Particulars	As at 1st April 2021	Recognised in statement of profit and loss	Recognised in other comprehensive income *	As at 31st March 2022
Deferred tax liabilities				
Arising on account of :				
Depreciable assets	415.72	(78.11)	-	337.61
Fair value gain on financial instruments	352.72	(16.03)	-	336.69
Mark to market gain on forward contract	-	7.20	-	7.20
On revaluation of freehold land	1,667.80	-	(975.96)	691.84
	2,436.24	(86.94)	(975.96)	1,373.34
Deferred tax assets				
Arising on account of :				
Disallowances under the Income Tax Act, 1961	52.90	(2.23)	-	50.67
Deferred revenue grant	16.68	(5.16)	-	11.52
Lease liabilities	27.86	(7.36)	-	20.50
	97.44	(14.75)	-	82.69
	2,338.80	(72.19)	(975.96)	1,290.65

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	As at 1st April 2022	Recognised in statement of profit and loss	Recognised in other comprehensive income *	As at 31st March 2023
Deferred tax liabilities				
Arising on account of :				
Depreciable assets	337.61	65.34	-	402.95
Fair value gain on financial instruments	336.69	(120.74)	-	215.95
Mark to market gain on forward contract	7.20	(7.20)	-	-
On revaluation of freehold land	691.84	-	(83.14)	608.70
	1,373.34	(62.60)	(83.14)	1,227.60
Deferred tax assets				
Arising on account of :				
Disallowances under the Income Tax Act, 1961	50.67	17.11	-	67.78
Mark to market loss on forward contract	-	1.25	-	1.25
Deferred revenue grant	11.52	(4.24)	-	7.28
Lease liabilities	20.50	(6.73)	-	13.77
	82.69	7.39	-	90.08
	1,290.65	(69.99)	(83.14)	1,137.52

* Excludes ₹ 20.91 (F.Y. 2021-22 ₹ 63.56) being income tax on remeasurements of the defined benefit plans 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.

27. OTHER NON-CURRENT LIABILITIES

Particulars	As at 31st March 2023	As at 31st March 2022
Deferred revenue grant	15.61	29.84
	15.61	29.84

27 (i) Movement of deferred revenue grant

Particulars	As at 31st March 2023	As at 31st March 2022
Balance at the beginning of the year (Non-current and current)	45.78	66.30
Add: Addition during the year	-	-
Less: Reversed during the year	-	-
Less: Released to statement of profit and loss (Refer Note - 35)	16.84	20.52
Balance at the end of the year (Non-current and current)	28.94	45.78
Non-current deferred revenue	15.61	29.84
Current portion of deferred revenue (Refer Note - 32)	13.33	15.94

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

28. BORROWINGS (CURRENT)

Particulars	As at 31st March 2023	As at 31st March 2022
Working capital loan (secured, at amortised cost)		
From Axis Bank Limited:		
- Cash credit	617.97	749.62
Current maturities of long term borrowings (Refer Note - 22)	7.41	14.82
	625.38	764.44

Terms and conditions :

- Cash Credit is secured by hypothecation of all current assets on first charge basis and movable fixed assets located at Budge Budge on second charge basis both present and future. The loan is further secured by mortgage of specific immovable properties located at Budge Budge on second charge basis.
- Cash credit is repayable on demand and carries interest @ 3 month MCLR plus 0.15 % p.a., present effective rate 8.95 % p.a. (31st March, 2022 : 7.60 % 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.
- The quarterly returns or statements of current assets filed by the Company with bank are in agreement with the books of account.

29. LEASE LIABILITIES (CURRENT)

Particulars	As at 31st March 2023	As at 31st March 2022
Lease liabilities (Refer Note - 52)	38.65	31.97
	38.65	31.97

30. TRADE PAYABLES

Particulars	As at 31st March 2023	As at 31st March 2022
Total outstanding dues of micro enterprises and small enterprises (Refer Note 46)	6.11	-
Total outstanding dues of creditors other than micro enterprises and small enterprises #	500.87	644.85
	506.98	644.85

Includes outstanding dues of directors and other related parties of the Company of ₹ 22.50 (31st March, 2022 ₹ 22.50). (Refer Note - 53.2)

30.1 Ageing schedule of trade payable is as below :

As at 31st March, 2023

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	0.29	5.82	-	-	-	-	6.11
(ii) Undisputed dues - Others	244.13	248.00	7.67	0.28	0.51	0.28	500.87
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	244.42	253.82	7.67	0.28	0.51	0.28	506.98

As at 31st March, 2022

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	-	-	-	-	-	-	-
(ii) Undisputed dues - Others	219.99	407.66	13.61	0.54	0.82	2.23	644.85
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	219.99	407.66	13.61	0.54	0.82	2.23	644.85

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

31. OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	As at 31st March 2023	As at 31st March 2022
Unpaid dividends*	175.90	163.46
Fractional bonus share proceeds unclaimed	0.80	0.81
Capital creditors ^	222.18	47.42
Security deposits from contractors	32.25	-
Employee related liabilities #	1,391.50	1,525.27
Mark to market loss on forward contract	4.95	-
Others @	17.81	15.30
	1,845.39	1,752.26

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

^ Includes ₹ 148.58 in respect of retention money (31st March, 2022 ₹ Nil).

Includes outstanding dues of directors and officers of the Company of ₹ 701.68 (31st March, 2022 ₹ 898.04).

@ Includes outstanding dues of officer of the Company of ₹ 2.43 (31st March, 2022 ₹ 3.24).

32. OTHER CURRENT LIABILITIES

Particulars	As at 31st March 2023	As at 31st March 2022
Advance from customers	198.19	0.18
Advance towards sale of property, plant and equipment	-	7.50
Deferred revenue grant (Refer Note - 27(i))	13.33	15.94
Statutory dues payable	146.77	194.30
Others	2.50	2.50
	360.79	220.42

33. PROVISIONS (CURRENT)

Particulars	As at 31st March 2023	As at 31st March 2022
Provision for leave	209.97	162.69
	209.97	162.69

34. CURRENT TAX LIABILITIES (NET)

Particulars	As at 31st March 2023	As at 31st March 2022
Provision for taxation (net of payments)	100.39	148.39
	100.39	148.39

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

35. REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Sale of products :		
Finished goods (Refer Note - 50)	55,998.93	56,165.56
	55,998.93	56,165.56
Other operating revenues		
Export incentives	254.86	643.26
Income from deferred revenue grant	16.84	20.52
Scrap sale	88.21	93.52
Insurance claims	-	190.21
	359.91	947.51
	56,358.84	57,113.07

36. OTHER INCOME

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest income #		
On investments	716.12	832.08
On fixed deposits with banks	45.30	134.74
	761.42	966.82
Dividend income from investments measured at FVTPL	4.17	6.06
Other non operating income		
Net gain on fair value changes of investments measured at FVTPL	323.12	1,024.32
Net gain/(loss) on sale of investments	(106.86)	393.53
Profit/(loss) on sale of property, plant and equipment (net)	45.84	(188.90)
Liabilities no longer required written back	6.23	12.14
Other non operating income	38.24	36.25
	306.57	1,277.34
	1,072.16	2,250.22
# Interest income comprises interest from :		
Financial assets measured at amortised cost	656.98	788.68
Other financial assets measured at FVTPL	59.14	43.40
Deposits with banks - carried at amortised cost	45.30	134.74
	761.42	966.82

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

37. COST OF MATERIALS CONSUMED

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Raw jute	31,021.59	29,917.43
Jute yarn	1,754.24	2,886.60
	32,775.83	32,804.03

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

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Opening stock		
Finished goods	2,384.87	2,297.95
Work-in-progress	1,384.16	1,474.14
	3,769.03	3,772.09
Closing stock		
Finished goods	2,302.39	2,384.87
Work-in-progress	1,740.52	1,384.16
	4,042.91	3,769.03
(Increase)/decrease	(273.88)	3.06

39. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Salaries, wages and bonus	6,850.01	6,163.54
Contribution to provident and other funds (Refer Note - 48) *	865.17	766.44
Staff welfare expenses	56.62	53.35
	7,771.80	6,983.33

* Net of revenue grant received amounting to ₹ Nil (F.Y. 2021-22 ₹ 0.74).

40. FINANCE COSTS

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest expenses		
- On borrowings	12.15	13.62
- On lease liabilities	5.57	8.16
- On others*	7.65	12.78
Other borrowing costs	8.67	8.01
	34.04	42.57

* Includes interest on income tax ₹ 1.05 (F.Y. 2021-22 ₹ 9.51)

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

41. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
On property, plant and equipment	400.70	398.75
On right of use assets	32.24	30.67
On investment property	0.45	0.44
On intangible assets	5.25	6.47
	438.64	436.33

42. OTHER EXPENSES

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Consumption of stores and spare parts	2,663.07	2,287.39
Power and fuel *	1,875.24	1,723.35
Processing charges	980.95	823.51
Rent	5.81	5.70
Rates and taxes	37.86	48.07
Repairs to buildings	168.93	127.56
Repairs to machinery	110.64	69.03
Repairs to others	9.82	20.05
Insurance	181.82	167.81
Expenditure towards CSR (Refer Note - 51)	139.81	122.55
Freight and delivery charges	2,645.26	3,145.30
Net (gain)/loss on foreign currency transactions and translations (other than considered as finance cost)	128.81	(141.23)
Mark to market (gain)/loss on derivative financial instruments	4.95	(28.60)
Property, plant and equipment and other intangible assets written off	2.58	2.21
Directors' sitting fees and commission	26.90	27.40
Payments to auditors (refer note below)	12.59	12.28
Miscellaneous expenses	543.08	501.35
	9,538.12	8,913.73
Payments to auditors :		
(a) for audit services	7.75	7.00
(b) for other services	4.45	5.05
(c) for reimbursement of expenses	0.39	0.23
	12.59	12.28

* Net of revenue grant received amounting to ₹ 14.52 (F.Y. 2021-22 ₹ 17.12).

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

43. TAX EXPENSE

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
A. Amount recognised in profit and loss		
Current tax		
Income tax for the year	1,774.00	2,318.00
Income tax related to earlier years (net)	(3.68)	(0.44)
Total current tax	1,770.32	2,317.56
Deferred tax		
Deferred tax for the year	(69.99)	(72.19)
Total deferred tax	(69.99)	(72.19)
	1,700.33	2,245.37
B. Amount recognised in other comprehensive income		
The tax charge/(credit) arising on income and expenses recognised in other comprehensive income is as follows:		
On items that will not be reclassified to profit or loss		
(i) Relating to revaluation surplus		
Current tax	-	-
Deferred tax	(83.14)	(975.96)
(ii) Remeasurements of the defined benefit plans		
Current tax	20.91	63.56
Deferred tax	-	-
	(62.23)	(912.40)

43.1 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 2023	For the year ended 31st March 2022
Profit before tax	7,146.45	10,180.24
Indian statutory income tax rate	25.168%	25.168%
Estimated income tax expense	1,798.62	2,562.16
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Income exempt from tax	(128.09)	(128.93)
Deduction under Chapter VIA of the Income Tax Act, 1961	(4.49)	(12.79)
Expenses disallowed or considered separately	55.56	53.52
Income taxable at special rates	(20.80)	(231.79)
Income tax related to earlier years (net)	(3.68)	(0.44)
Others	3.21	3.64
Total tax effect	(98.29)	(316.79)
Tax expense recognised in statement of profit and loss	1,700.33	2,245.37

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

44. EARNINGS PER EQUITY SHARE

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Profit as per statement of profit and loss attributable to shareholders (a)	5,446.12	7,934.87
Weighted average number of ordinary shares * (in number) (b)	60,16,875	62,28,519
Basic and diluted earnings per share (a/b) (nominal value - ₹ 10/- per share) (in ₹)	90.51	127.40

* Weighted average number of ordinary shares takes into account the weighted average effect of change in number of ordinary shares due to Buy-back of shares during the previous year ended 31st March, 2022.

45. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

45.1 Contingent Liabilities :

a) Claims against the Company not acknowledged as debts :

Particulars	As at 31st March 2023	As at 31st March 2022
Income tax in dispute and under appeal (Against this ₹ 29.53 (31st March, 2022 ₹ 6.00) has been deposited/adjusted against refund)	173.46	118.31
Letter of credit outstanding	96.94	613.51

45.2 Capital and other commitments :

Particulars	As at 31st March 2023	As at 31st March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) :		
Against property, plant and equipment	255.67	1,544.73
Against other intangible assets	-	-
Undrawn capital commitment against investments	1,245.00	1,425.00

46. 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 2023	As at 31st March 2022
i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	6.11	-
- Towards principal amount	6.11	-
- Towards interest on above	-	-
ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

47. DIVIDEND

The Board of Directors at its meeting held on 25th May, 2023 have recommended a payment of dividend of ₹ 27/- (F.Y. 2021-22 ₹ 60/-) per ordinary share on 60,16,875 ordinary shares of face value of ₹ 10/- each amounting to ₹ 1624.56 for the financial year ended 31st March, 2023. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

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

48.1 Defined Contribution Plans:

The Company has during the year recognised an expense of ₹ 639.02 (F.Y. 2021-22 ₹ 550.49) towards defined contribution plans.

Out of the total contribution, made for employees' provident fund, a sum of ₹ 98.01 (F.Y. 2021-22 ₹ 84.89) 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.

48.2 Defined Benefit Plans:

Gratuity Plan

This is a funded defined benefit plans 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.

- 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.
- Salary risk:** Higher than expected increase in salary will increase the defined benefit obligation.
- 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.

b. Changes in present value of obligation

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2023	For the year ended 31st March 2022
Defined benefit obligation at the beginning of the year	2,486.77	2,471.99
Current service cost	250.11	236.27
Interest cost on defined benefit obligation	175.32	168.09
Actuarial gain and losses arising from		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	(28.61)	(38.29)
- Experience adjustment	(123.67)	(226.89)
Benefits paid	(115.66)	(124.40)
Present value of defined benefit obligation at the end of the year	2,644.26	2,486.77

c. Changes in fair value of the plan assets

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2023	For the year ended 31st March 2022
Fair value of plan assets at the beginning of the year	2,884.43	2,833.06
Interest income on plan assets	199.28	188.41
Actuarial gain/(loss) through other comprehensive income	(69.18)	(12.64)
Employer contributions to the plan	-	-
Benefits paid from the plan assets	(115.66)	(124.40)
Fair value of plan assets at the end of the year	2,898.87	2,884.43

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

d. Net asset recognised in the Balance Sheet

Particulars	Gratuity (Funded)	
	As at 31st March 2023	As at 31st March 2022
Present value of defined benefit obligation	2,644.26	2,486.77
Fair value of plan assets	2,898.87	2,884.43
Net asset recognised in the Balance Sheet	254.61	397.66

e. Expenses recognised in statement of profit and loss

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2023	For the year ended 31st March 2022
Current service cost	250.11	236.27
Interest cost	175.32	168.09
Interest income on plan assets	(199.28)	(188.41)
Total expenses recognised in statement of profit and loss	226.15	215.95

f. Remeasurements recognised in other comprehensive income

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2023	For the year ended 31st March 2022
Remeasurement (gain)/loss in other comprehensive income due to		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	(28.61)	(38.29)
- Experience adjustment	(123.67)	(226.89)
Return on plan assets (excluding interest)	69.18	12.64
	(83.10)	(252.54)

g. Composition of plan assets

Particulars	Gratuity (Funded)	
	As at 31st March 2023	As at 31st March 2022
Government of India/ Government of India guaranteed securities	14.69%	16.92%
State Government/ State Government guaranteed securities	39.42%	40.72%
Bonds	31.70%	30.12%
Units of equity linked scheme of mutual fund	11.57%	9.41%
Cash at bank and receivables (net)	2.62%	2.83%
	100.00%	100.00%

h. Actuarial Assumptions

Particulars	Gratuity (Funded)	
	As at 31st March 2023	As at 31st March 2022
Financial Assumptions		
Discount rate	7.25%	7.05%
Salary escalation rate	7.50%	7.50%
Demographic Assumptions		
Mortality rate	IALM (2012-14) Table Ultimate	IALM (2012-14) Table Ultimate
Withdrawal rate	1% to 8%	1% to 8%
Retirement age	55-71 years	55-70 years

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

- 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.
- j. At 31st March, 2023, the weighted average duration of the defined benefit obligation was 4.68 years (31st March, 2022 - 4.96 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 2024	280.93
31st March 2025	333.27
31st March 2026	131.42
31st March 2027	157.41
31st March 2028	170.46
31st March 2029 to 31st March 2033	590.19

- k. The Company expects to contribute ₹ Nil to its gratuity fund in F.Y. 2023-24.

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)	
	As at 31st March 2023	As at 31st March 2022
Effect on DBO due to 1% increase in discount rate	2,440.44	2,289.96
Effect on DBO due to 1% decrease in discount rate	2,861.08	2,689.57
Effect on DBO due to 1% increase in salary escalation rate	2,870.09	2,694.98
Effect on DBO due to 1% decrease in salary escalation rate	2,429.26	2,282.26
Effect on DBO due to 1% increase in withdrawal rate	2,628.47	2,465.84
Effect on DBO due to 1% decrease in withdrawal rate	2,643.18	2,485.41

49. SEGMENT REPORTING

49.1 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.

49.2 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.

49.3 The geographical segments considered for disclosure are as under:

Particulars	For the year ended 31st March 2023			For the year ended 31st March 2022		
	Within India	Overseas	Total	Within India	Overseas	Total
Revenue	36,658.87	19,340.06	55,998.93	32,617.52	23,548.04	56,165.56
Non-current assets other than financial instruments *	21,024.30	-	21,024.30	18,826.24	-	18,826.24

* 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, intangible assets under development, non-current tax assets (net) and other non-current assets.

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

49.4 Extent of reliance on major customer

Revenue from government agencies amounting to ₹ 31,570.69 (56.38% of total revenue); F.Y. 2021-22 ₹ 31,187.15 (55.53% of total revenue) has arisen on sale of jute bags within India.

50 DISCLOSURES PURSUANT TO IND AS - 115

50.1 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.

50.2 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 2023	For the year ended 31st March 2022
A. Primary geographical markets		
Within India	36,658.87	32,617.52
Overseas	19,340.06	23,548.04
Total	55,998.93	56,165.56
B. Major products		
Jute products	55,998.93	56,165.56
Total	55,998.93	56,165.56

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.

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

Particulars	As at 31st March 2023	As at 31st March 2022
Receivables, which are included in 'Trade receivables' (Refer Note - 15)	3,384.60	4,946.56
Contract assets	-	-
Contract liabilities (Refer Note - 32)	198.19	0.18
Total (Assets - Liabilities)	3,186.41	4,946.38

50.4 Other information :

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
(i) Transaction price allocated to the remaining performance obligations	Nil	Nil
(ii) The amount of revenue recognised in the current year that was included in the opening contract liability balance	0.18	2.27
(iii) The amount of revenue recognised in the current year from performance obligations satisfied (or partially satisfied) in previous years	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.

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

51. DISCLOSURES OF CORPORATE SOCIAL RESPONSIBILITY (CSR)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
(i) Amount required to be spent by the company during the year	139.37	122.36
(ii) Amount of expenditure incurred on:		
(a) Construction/acquisition of any asset	-	-
(b) On other purposes other than (a) above (Refer Note - 42)	139.81	122.55
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	Not applicable	Not applicable
(vi) Nature of CSR activities	Education, Healthcare, Nationally Recognised Sports, Benefit of armed forces dependents	Healthcare, Nationally Recognised Sports, Benefit of armed forces dependents
(vii) Related party transaction as per Ind AS 24 in relation to CSR expenditure	-	-
(viii) Provision made	-	-

52. LEASES

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

The changes in the carrying value of right of use assets for the year ended 31st March, 2023 are disclosed in Note 6.

II. Expenses recognised in the Statement of Profit and Loss:

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Rent		
Expense relating to short-term leases	5.28	4.33
Expense relating to low value leases	0.53	1.37
Finance cost		
Interest expense on lease liabilities	5.57	8.16
Depreciation and impairment losses		
Depreciation of right-of-use assets	32.24	30.67

Total cash outflow for leases for the year ended 31st March, 2023 is ₹ 41.36 (31st March, 2022 ₹ 37.40).

III. Contractual maturities of lease liabilities

As per the requirement of Ind AS-107, maturity analysis of lease liabilities have been shown under maturity analysis for financial liabilities under Liquidity risk (Refer Note 55.3(b)(i)). The below table provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

Particulars	As at 31st March 2023
Within one year	41.36
After one year but not more than five years	16.18
More than five years	1.63
	59.17

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligation related to lease liabilities as and when they fall due.

IV. The weighted average incremental borrowing rate of 9.00% has been applied to lease liabilities recognised in the balance sheet.

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

53. RELATED PARTY DISCLOSURES PURSUANT TO IND AS - 24

53.1 List of relationships:

- a. Holding Company**
Harsh Investments Private Limited (HIPL)
- b. Key Management Personnel**
Mr. Harsh Vardhan Kanoria, Chairman and Managing Director, Chief Executive Officer
Mr. Utkarsh Kanoria, Wholetime Director
Mr. Navin Nayar, Independent Director
Mr. Padam Kumar Khaitan, Independent Director
Mrs. Rashmi Prashad, Independent Director
Mr. Sushil Kumar Dhandhanania, Independent Director
Mrs. Malati Kanoria, Non-executive Director
- c. Entities over which Key Management Personnel and relatives of Key Management Personnel have control / significant influence**
Abhyadoot Finance and Investments Private Limited (AFIPL)
Bright and Shine Micro Products Private Limited (BSMPPL)
Cheviot Agro Industries Private Limited (CAIPL)
Cheviot International Limited (CIL)
Elite (India) Private Limited (EIPL)
Khaitan and Company LLP
- d. Post-employment benefit plan entities**
Cheviot Company Limited Employees' Gratuity Trust Fund
Cheviot Company Limited Employees' Provident Fund

53.2 Transactions carried out during the year :

Transactions / Nature of Relationship	For the year ended 31st March, 2023					For the year ended 31st March, 2022				
	Holding Company	Key Management Personnel	Entities over which Key Management Personnel and relatives of Key Management Personnel have control / significant influence	Post-employment benefit plan entities	Total	Holding Company	Key Management Personnel	Entities over which Key Management Personnel and relatives of Key Management Personnel have control / significant influence	Post-employment benefit plan entities	Total
Sales of property, plant and equipment and other intangible assets	-	-	-	-	-	-	-	632.42	-	632.42
CAIPL	-	-	-	-	-	-	-	632.42	-	632.42
Transfer of security deposits	-	-	-	-	-	-	-	22.88	-	22.88
CAIPL	-	-	-	-	-	-	-	22.88	-	22.88
Rendering of services	0.48	-	1.44	-	1.92	0.48	-	1.97	-	2.45
CIL	-	-	-	-	-	-	-	-	-	-
CAIPL	-	-	1.44	-	1.44	-	-	1.74	-	1.74
HIPL	0.48	-	-	-	0.48	0.48	-	-	-	0.48
Others	-	-	-	-	-	-	-	0.23	-	0.23
Receiving of services *	-	772.22	2.75	-	774.97	-	965.65	1.88	-	967.53
Mr. Harsh Vardhan Kanoria	-	386.18	-	-	386.18	-	482.56	-	-	482.56
Mr. Utkarsh Kanoria	-	386.04	-	-	386.04	-	483.09	-	-	483.09
Khaitan and Company LLP	-	-	2.75	-	2.75	-	-	1.88	-	1.88

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

Transactions / Nature of Relationship	For the year ended 31st March, 2023					For the year ended 31st March, 2022				
	Holding Company	Key Management Personnel	Entities over which Key Management Personnel and relatives of Key Management Personnel have control / significant influence	Post-employment benefit plan entities	Total	Holding Company	Key Management Personnel	Entities over which Key Management Personnel and relatives of Key Management Personnel have control / significant influence	Post-employment benefit plan entities	Total
Commission to non-executive/ independent directors	-	25.00	-	-	25.00	-	25.00	-	-	25.00
Mr. Navin Nayar	-	5.00	-	-	5.00	-	5.00	-	-	5.00
Mr. Padam Kumar Khaitan	-	5.00	-	-	5.00	-	5.00	-	-	5.00
Mrs. Rashmi Prashad	-	5.00	-	-	5.00	-	5.00	-	-	5.00
Mr. Sushil Kumar Dhandhanja	-	5.00	-	-	5.00	-	5.00	-	-	5.00
Mrs. Malati Kanoria	-	5.00	-	-	5.00	-	5.00	-	-	5.00
Sitting fees paid to non executive/independent directors	-	1.90	-	-	1.90	-	2.40	-	-	2.40
Mr. Navin Nayar	-	0.40	-	-	0.40	-	0.40	-	-	0.40
Mr. Padam Kumar Khaitan	-	0.40	-	-	0.40	-	0.50	-	-	0.50
Mrs. Rashmi Prashad	-	0.30	-	-	0.30	-	0.50	-	-	0.50
Mr. Sushil Kumar Dhandhanja	-	0.40	-	-	0.40	-	0.50	-	-	0.50
Mrs. Malati Kanoria	-	0.40	-	-	0.40	-	0.50	-	-	0.50
Dividend paid	2,296.49	403.70	1.18	-	2,701.37	6,294.16	1,902.85	3.56	-	8,200.57
HIPL	2,296.49	-	-	-	2,296.49	6,294.16	-	-	-	6,294.16
Mr. Harsh Vardhan Kanoria	-	266.92	-	-	266.92	-	807.84	-	-	807.84
Mrs. Malati Kanoria	-	4.53	-	-	4.53	-	669.95	-	-	669.95
Mr. Utkarsh Kanoria	-	132.25	-	-	132.25	-	425.06	-	-	425.06
Others	-	-	1.18	-	1.18	-	-	3.56	-	3.56
Buy-back of ordinary shares	-	-	-	-	-	2,486.93	681.55	1.12	-	3,169.60
HIPL	-	-	-	-	-	2,486.93	-	-	-	2,486.93
Mr. Harsh Vardhan Kanoria	-	-	-	-	-	-	289.04	-	-	289.04
Mrs. Malati Kanoria	-	-	-	-	-	-	4.90	-	-	4.90
Mr. Utkarsh Kanoria	-	-	-	-	-	-	387.61	-	-	387.61
Others	-	-	-	-	-	-	-	1.12	-	1.12
Contributions made (including Employees' share and contribution)	-	-	-	618.99	618.99	-	-	-	536.68	536.68
Cheviot Company Limited Employees' Provident Fund	-	-	-	618.99	618.99	-	-	-	536.68	536.68

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

Transactions / Nature of Relationship	For the year ended 31st March, 2023					For the year ended 31st March, 2022				
	Holding Company	Key Management Personnel	Entities over which Key Management Personnel and relatives of Key Management Personnel have control / significant influence	Post-employment benefit plan entities	Total	Holding Company	Key Management Personnel	Entities over which Key Management Personnel and relatives of Key Management Personnel have control / significant influence	Post-employment benefit plan entities	Total
Outstanding against receiving of services	-	700.00	-	-	700.00	-	896.00	-	-	896.00
Mr. Harsh Vardhan Kanoria	-	350.00	-	-	350.00	-	446.00	-	-	446.00
Mr. Utkarsh Kanoria	-	350.00	-	-	350.00	-	450.00	-	-	450.00
Outstanding against commission to non-executive/ independent directors	-	22.50	-	-	22.50	-	22.50	-	-	22.50
Mr. Navin Nayar	-	4.50	-	-	4.50	-	4.50	-	-	4.50
Mr. Padam Kumar Khaitan	-	4.50	-	-	4.50	-	4.50	-	-	4.50
Mrs. Rashmi Prashad	-	4.50	-	-	4.50	-	4.50	-	-	4.50
Mr. Sushil Kumar Dhandhanania	-	4.50	-	-	4.50	-	4.50	-	-	4.50
Mrs. Malati Kanoria	-	4.50	-	-	4.50	-	4.50	-	-	4.50
Outstanding against Post employment benefit entities	-	-	-	56.13	56.13	-	-	-	69.92	69.92
Cheviot Company Limited Employees' Provident Fund	-	-	-	56.13	56.13	-	-	-	69.92	69.92

* includes commission paid to Mr. Harsh Vardhan Kanoria - ₹ 350.00 (F.Y. 2021-22 ₹ 446.00) and Mr. Utkarsh Kanoria - ₹ 350.00 (F.Y. 2021-22 ₹ 450.00).

There being no doubtful debts, no provision has been made and no expenses has been recognised in respect of bad and doubtful debts during the current/previous year in respect of related party transactions.

53.3 Key Management Personnel Compensation:

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Short-term employee benefits	769.82	961.97
Post-employment benefits	2.40	3.68
Long-term employee benefits	-	-
	772.22	965.65

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

54. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the ordinary shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. As at 31st March, 2023 and 31st March, 2022, the Company has only one class of ordinary shares and has low debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

55. DISCLOSURE ON FINANCIAL INSTRUMENTS

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial assets, financial liabilities and derivative financial instruments are disclosed in Note 3.11 to the financial statements.

55.1 Financial Assets and Liabilities (Non-current and current)

Particulars	As at 31st March 2023			As at 31st March 2022		
	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	-	0.32	-	-	0.32	-
- Preference shares *	-	-	-	-	-	-
- Mutual funds	18,542.12	-	-	11,060.03	-	-
- Real estate investment trust	489.70	-	-	-	-	-
- Alternative investments funds	1,031.27	-	-	1,156.69	-	-
- Government securities	-	-	-	-	-	4,706.26
- Debentures or bonds	-	-	5,707.93	-	-	6,258.76
Trade receivables	-	-	3,384.60	-	-	4,946.56
Cash and cash equivalents	-	-	358.46	-	-	915.47
Other bank balances	-	-	501.70	-	-	1,514.27
Other financial assets						
- Fixed deposits accounts with bank (maturity over 12 months from balance sheet date)	-	-	-	-	-	600.00
- Interest accrued on investments and fixed deposits	-	-	112.09	-	-	213.25
- Export incentives receivable	-	-	115.16	-	-	308.90
- Mark to market gain on forward contract	-	-	-	28.60	-	-
- Other deposits, advances & receivables	-	-	117.98	-	-	366.71
Total financial assets	20,063.09	0.32	10,297.92	12,245.32	0.32	19,830.18

* investment in preference shares is net of impairment.

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	As at 31st March 2023			As at 31st March 2022		
	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 liabilities						
Borrowings (including current maturities)	-	-	625.38	-	-	771.85
Lease liabilities	-	-	54.75	-	-	81.48
Trade payables	-	-	506.98	-	-	644.85
Other financial liabilities						
- Unpaid dividends	-	-	175.90	-	-	163.46
- Fractional bonus share proceeds unclaimed	-	-	0.80	-	-	0.81
- Capital creditors	-	-	222.18	-	-	185.49
- Employee related liabilities	-	-	1,391.50	-	-	1,525.27
- Mark to market loss on forward contract	4.95	-	-	-	-	-
- Security deposits and others	-	-	50.06	-	-	47.55
Total financial liabilities	4.95	-	3,027.55	-	-	3,420.76

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

Particulars	As at 31st March 2023		As at 31st March 2022	
	Amortised cost	Fair value	Amortised cost	Fair value
Preference shares *	-	-	-	-
Government securities	-	-	4,706.26	4,668.15
Debentures or bonds	5,707.93	6,638.51	6,258.76	7,458.77

* 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 assets and 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.

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

55.2 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 quoted price/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 all debentures or 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.

Particulars	As at 31st March 2023			As at 31st March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
(i) Measured at fair value through profit or loss						
Investments						
- Mutual funds	18,542.12	-	-	11,060.03	-	-
- Real estate investment trust	489.70	-	-	-	-	-
- Alternative investments funds	1,031.27	-	-	1,156.69	-	-
Other financial assets						
- Mark to market gain on forward contract	-	-	-	-	28.60	-
Subtotal	20,063.09	-	-	12,216.72	28.60	-
(ii) Measured at fair value through other comprehensive income						
Investments						
- Equity instruments	-	-	0.32	-	-	0.32
Subtotal	-	-	0.32	-	-	0.32
Total financial assets	20,063.09	-	0.32	12,216.72	28.60	0.32
Financial liabilities						
Measured at fair value through profit or loss						
Other financial liabilities						
- Mark to market loss on forward contract	-	4.95	-	-	-	-
Total financial liabilities	-	4.95	-	-	-	-

There were no transfers between Level 1, Level 2 and Level 3 during the year.

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

55.3 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 - 15.

ii) Financial instruments and cash deposit

Credit risk is limited as the Company generally invest in deposits with banks and in bonds of companies having high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investments in government securities, debentures or bonds, preference shares, mutual fund units, real estate investment trust and alternative investment funds. Counterparty credit limits are reviewed by the Company periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

b) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations as they become due.

The Company monitors its risk by determining its liquidity requirement in the short, medium and long term. This is done by drawing up cash forecast for short term and long term needs. The Company manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain mutual funds and fixed deposit which provide flexibility to liquidate. Besides, it generally has certain undrawn credit facilities which can be used as and when required, such credit facilities are reviewed at regular basis.

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

i) Maturity analysis for financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date -

Particulars	On demand	0 to 6 months	More than 6 months to 1 year	More than 1 year	Total
As at 31st March, 2023					
Derivative					
Mark to market loss on forward contract (Refer Note - 31)	-	4.95	-	-	4.95
	-	4.95	-	-	4.95
Non-derivative					
Borrowings (including current maturities) (Refer Note - 22 and 28)	617.97	7.41	-	-	625.38
Lease liabilities (Refer Note - 23 and 29)	-	18.89	19.76	16.10	54.75
Trade payables (Refer Note - 30)	-	506.98	-	-	506.98
Other financial liabilities (Refer Note - 24 and 31)	176.70	1,663.74	-	-	1,840.44
	794.67	2,197.02	19.76	16.10	3,027.55
As at 31st March, 2022					
Derivative					
Mark to market loss on forward contract (Refer Note - 31)	-	-	-	-	-
Non-derivative					
Borrowings (including current maturities) (Refer Note - 22 and 28)	749.62	7.41	7.41	7.41	771.85
Lease liabilities (Refer Note - 23 and 29)	-	15.63	16.34	49.51	81.48
Trade payables (Refer Note - 30)	-	644.85	-	-	644.85
Other financial liabilities (Refer Note - 24 and 31)	164.27	1,587.99	-	170.32	1,922.58
	913.89	2,255.88	23.75	227.24	3,420.76

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.

a) Exposure to interest rate risk

Particulars	As at 31st March 2023	As at 31st March 2022
Fixed rate instruments		
Financial assets	6,032.93	12,915.02
Financial liabilities	54.75	81.48
Variable rate instruments		
Financial assets	-	-
Financial liabilities	625.38	771.85

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

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 2023			As at 31st March 2022		
	Sensitivity	Impact on		Sensitivity	Impact on	
		Profit before tax	Other equity		Profit before tax	Other equity
Interest rate increase by	0.50%	(3.13)	(2.34)	0.50%	(3.86)	(2.89)
Interest rate decrease by	0.50%	3.13	2.34	0.50%	3.86	2.89

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 2023		As at 31st March 2022	
	USD / Euro	INR	USD / Euro	INR
Financial assets				
Trade receivables				
In USD	9,44,880	776.85	8,81,230	668.04
In EURO	1,44,284	129.29	-	-
Other financial assets				
In USD	1,51,302	124.40	7,18,394	544.59
In EURO	3,061	2.74	63,701	53.93
		1,033.28		1,266.56
Financial liabilities				
Borrowings				
In USD	-	-	-	-
Trade payables and other liabilities				
In USD	1,18,434	97.37	4,84,440	367.24
In EURO	6,323	5.67	6,566	5.56
		103.04		372.80
Net exposure in foreign currency (Financial assets - Financial liabilities)				
In USD	9,77,748	803.88	11,15,184	845.39
In EURO	1,41,022	126.36	57,135	48.37
		930.24		893.76

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

(II) Hedged foreign currency exposure

Particulars	As at 31st March 2023		As at 31st March 2022	
	USD / Euro	INR	USD / Euro	INR
Derivative assets				
Forward contract against trade receivables				
In USD	8,50,000	698.84	24,00,000	1,819.37
In EURO	2,50,000	224.02	3,95,320	334.68
Forward contract against firm commitments				
In USD	7,00,000	575.52	40,00,000	3,032.28
In EURO	2,00,000	179.22	3,04,680	257.94
		1,677.60		5,444.27
Derivative Liabilities				
Forward contract - against payable	-	-	-	-
Forward contract - against firm commitments	-	-	-	-
		-		-
Net exposure in foreign currency (Financial assets - Financial liabilities)				
In USD	15,50,000	1,274.36	64,00,000	4,851.65
In EURO	4,50,000	403.24	7,00,000	592.62
		1,677.60		5,444.27

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 2023			As at 31st March 2022		
	Sensitivity	Impact on		Sensitivity	Impact on	
		Profit before tax	Other equity		Profit before tax	Other equity
USD Sensitivity - Increase	5.00%	40.19	30.07	5.00%	42.27	31.63
USD Sensitivity - (Decrease)	5.00%	(40.19)	(30.07)	5.00%	(42.27)	(31.63)
EURO Sensitivity - Increase	5.00%	6.32	4.73	5.00%	2.42	1.81
EURO Sensitivity - (Decrease)	5.00%	(6.32)	(4.73)	5.00%	(2.42)	(1.81)

Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

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 2023	As at 31st March 2022
Measured at FVTPL		
Investment in mutual funds	18,542.12	11,060.03
Investment in real estate investment trust	489.70	-
Investment in alternative investment funds	1,031.27	1,156.69
	20,063.09	12,216.72
Measured at FVTOCI		
Investment in equity instruments	0.32	0.32
	0.32	0.32
Total	20,063.41	12,217.04

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 2023				As at 31st March 2022			
	Sensitivity	Impact on			Sensitivity	Impact on		
		Profit before tax	Other comprehensive income	Other equity		Profit before tax	Other comprehensive income	Other equity
Market rate increase by	5.00%	1,003.15	0.02	750.69	5.00%	610.84	0.02	457.12
Market rate decrease by	5.00%	(1,003.15)	(0.02)	(750.69)	5.00%	(610.84)	(0.02)	(457.12)

Notes to the Financial Statements for the year ended 31st March, 2023

56. FINANCIAL RATIOS

The ratios as per the latest amendment to Schedule III are as below:

Particulars		For the year ended 31st March, 2023	For the year ended 31st March, 2022
(1)	Current ratio (Current assets/Current liabilities)	6.05	6.31
(2)	Debt - equity ratio ^ (Total debt/Shareholders' equity) [Total debt: Non - current borrowings + Current borrowings + Current maturities of long term borrowings] [Shareholders' equity : Equity share capital + Other equity - Capital reserve - Revaluation surplus]	0.01	0.02
(3)	Debt service coverage ratio * (EBITDA/Debt service) (EBITDA : Profit before taxes + Finance cost + Depreciation and amortisation expense + Loss/(Profit) on sale of PPE + PPE and other intangible assets written off [Debt service : Interest and Lease payments + Principal repayments of non-current borrowings])	110.87	164.81
(4)	Return on equity (ROE) # (Net Profit after taxes/Average shareholder's equity) [Shareholders' equity : Equity share capital + Other equity - Capital reserve - Revaluation surplus]	11.92%	16.25%
(5)	Inventory turnover ratio (Sale of products/Average inventories)	5.96	6.61
(6)	Trade receivables turnover ratio (Sale of products/Average trade receivables)	13.44	12.27
(7)	Trade payables turnover ratio (Expenses/Average trade payables) [Expenses: Total expenses - Finance cost - Depreciation and amortisation expense - Employee benefit expense - Other expenses with respect to non cash items like PPE and other intangible assets written off and net (gain)/loss on foreign currency transactions and translations/MTM (gain)/loss on derivative financial instruments]	72.76	79.54
(8)	Net capital turnover ratio (Revenue from operations/Average working capital) [Working capital: Current assets - Current liabilities]	2.94	2.56
(9)	Net profit ratio # (Net profit after tax/Revenue from operations)	9.66%	13.89%
(10)	Return on Capital Employed (Earning before interest and taxes (EBIT)/Average capital employed) [EBIT: Profit before taxes + Finance cost] [Capital Employed: Equity share capital + Other equity - Capital reserve - Revaluation surplus + Non current borrowings + Current borrowings + Current maturities of long-term borrowings + Deferred tax liabilities]	15.08%	19.87%
(11)	Return on investment \$ (Net income on investments/Average investment funds in current and non current investments) (Net income on investments : Interest income on investments + Dividend income + Net gain/(loss) on sale/fair value changes of investments)	3.83%	8.14%

^ The variation in debt equity ratio as at 31st March, 2023 as compared to 31st March, 2022 is primarily due to decrease in both long term and short term borrowings.

* The variation in debt service coverage ratio is primarily due to decrease in profitability and increase in lease payments during the year ended 31st March, 2023.

The variation in return on equity and net profit ratio is primarily on account of decline in operating profit and also due to decline in other income from investments.

\$ The variation in return on investment is primarily on account of lower return on existing investments due to interest rate surge and decrease in average investments during the year ended 31st March, 2023.

Notes to the Financial Statements for the year ended 31st March, 2023

57. OTHER REGULATORY INFORMATION

- i) The Company does not have any Benami property. Further, there are no proceedings initiated or are pending against the Company for holding any Benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment to promoters, directors, KMPs and the related parties.
- iii) Details of struck off companies with whom the Company has transaction during the year or outstanding balance as on Balance Sheet date :

Name of Struck off Company	Nature of transactions with struck-off Company	As at 31.03.2023	As at 31.03.2022
Safety Perfect Private Limited	Purchase of goods and services	-	-

- iv) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
 - v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - vii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
 - viii) The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender.
 - ix) The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.
 - x) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
58. Previous year's figures have been re-grouped/re-classified, wherever necessary, to make them comparable to the current year's presentation.

As per our report of even date

For and on behalf of the Board of Directors

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

Madhup Kumar Patni
Chief Financial Officer

Harsh Vardhan Kanoria

Chairman and Managing Director
Chief Executive Officer
(DIN - 00060259)

Gopal Jain
Partner
Membership No. 059147

Aditya Banerjee
Company Secretary

Utkarsh Kanoria

Wholetime Director
(DIN - 06950837)

Place: Kolkata
Dated the 25th day of May, 2023

Navin Nayar

Independent Director
(DIN - 00136057)

NOTICE

NOTICE is hereby given that the 125th Annual General Meeting (AGM) of the members of CHEVIOT COMPANY LIMITED (hereinafter referred to as “the Company”) will be held on Friday, August 11, 2023 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 March 31, 2023 together with the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on the ordinary shares for the financial year ended March 31, 2023.
3. To appoint a director in place of Mr. Utkarsh Kanoria (DIN 06950837), who retires by rotation and, being eligible, offers himself for re-appointment.

Special Business:

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

“**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Regulation 17(1C) and other applicable regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Article 131 of the Articles of Association of the Company, Mr. Abhishek Murarka (holding DIN 00118310), who was appointed as an Additional Director in terms of Section 161(1) of the Act with effect from May 25, 2023 by the Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee and who holds office up to the date of this annual general meeting and in respect of whom the Company has received notice in writing under Section 160 of the Act from a member proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company, whose office shall be liable to determination by retirement of directors by rotation.”

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the members of the Company be and is hereby granted to the appointment of Mr. Abhishek Murarka (holding DIN 00118310), as Wholtime Director of the Company for a term of 5 (five) years effective from May 25, 2023, whose office shall be liable to determination by retirement of directors by rotation, on the terms and conditions as to remuneration and otherwise as set out in the statement annexed to this notice, to be entered by way of an agreement between the Company and Mr. Abhishek Murarka.

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. Abhishek Murarka remuneration by way of salary and perquisites not exceeding the ceiling laid down in Section II of Part II of Schedule V to the Act or any modification(s) or re-enactment thereof as minimum remuneration, subject to such approvals as may be required.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 40,000/- (Rupees Forty Thousand Only) plus applicable taxes and re-imburement of out of pocket expenses payable to M/s D. Radhakrishnan & Co., Cost Accountants (Registration No. 000018), appointed as the cost auditor by the Board of Directors of the Company to conduct audit of the cost accounting records maintained by the Company for the financial year ending March 31, 2024, be and is hereby ratified.”

By Order of the Board of Directors
of **Cheviot Company Limited**
Aditya Banerjee
Company Secretary and Compliance Officer
FCS 10954

Kolkata, May 25, 2023

CIN: L65993WB1897PLC001409

Registered Office: 24, Park Street, Celica House, 9th Floor, Celica Park, Kolkata - 700 016

Ph: +91 82320 87911/12/13 | Email: cheviot@chevjute.com | Website: www.cheviotgroup.com

NOTICE (Contd..)

NOTES:

1. **The Register of Members and the Share Transfer Register of the Company will remain closed from Saturday, August 5, 2023 to Friday, August 11, 2023 (both days inclusive) for the purpose of payment of dividend.**
2. The statement pursuant to Section 102 of the Companies Act, 2013, relating to the special business set out in this notice, with the recommendation of the Board of Directors to the members, is annexed hereto and forms part of this Notice.
3. Brief profile and other information in respect of directors seeking appointment/re-appointment as required under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ('SS-2') are provided in the **Statement** and **Annexure** forming part of this Notice.
4. The AGM shall be conducted through VC/OAVM without the physical presence of the members at a common venue in accordance with the clarification Circular(s) issued by the Ministry of Corporate Affairs from time to time. 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, Celica House, 9th Floor, Celica Park, Kolkata - 700016. The VC/OAVM facility will be provided by National Securities Depository Limited ("NSDL").
5. **ONLY A MEMBER IS ENTITLED TO ATTEND AND VOTE AT THE AGM THROUGH VC/OAVM.** The facility to appoint proxies by the members will not be available for this AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed hereto. 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.
6. 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.
7. Pursuant to Section 113 of the Companies Act, 2013, corporate members are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and exercise their right to vote. Institutional/corporate members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG format) of resolution authorising their representative to vote and attend the AGM at investorservices@chevjute.com with a copy marked to evoting@nsdl.co.in. Facility will be available on NSDL e-voting system for institutional/corporate members to upload their Board Resolution/Power of Attorney/Authority Letter by clicking on "Upload Board Resolution/Authority Letter" displayed under 'e-voting' tab in their login.
8. The members can join 15 (fifteen) minutes before and after the scheduled time of the commencement of the AGM through VC/OAVM by following the procedure mentioned in this Notice. The facility to join the AGM through VC/OAVM will be made available for 1,000 members on first-come-first-served basis. This will not include members holding two percent or more shares, promoters, institutional investors, directors, key managerial personnel, auditors etc. who are allowed to attend the AGM without restriction on account of first-come-first-served basis.
9. The notice calling the AGM, inter-alia, indicating the process and manner of e-voting and participating at AGM through VC/OAVM will be available on Company's website: <https://www.cheviotgroup.com> and can also be accessed from the website of the stock exchanges, viz. BSE Limited (<https://www.bseindia.com>) and National Stock Exchange of India Limited ("NSE") (<https://www.nseindia.com>) and from the website of NSDL (<https://www.evoting.nsdl.com>).
10. Dividend, as recommended by the Board of Directors, if declared at the AGM, will be paid, subject to deduction of tax at source, on and from **Wednesday, August 16, 2023** to those members, whose names shall appear in the Register of Members or in the Register of Beneficial Owners maintained by the depositories at the close of business hours on **Friday, August 4, 2023**, being the Record Date fixed for the purpose of dividend.
11. The Company is required to deduct tax at source while making payment of dividend as per the provisions of the Income Tax Act, 1961. Members are requested to submit their residential status, PAN and category to their respective depository participant(s) (DPs) in case of shares held in dematerialised form and to the Company or to the Registrar and Share Transfer Agent, M/s Maheshwari Datamatics Private Limited ("Registrar"), in case of shares held in physical form by sending relevant documents on or before **Friday, August 4, 2023**. For more details, please refer to "**Communication on tax deduction on dividend**" annexed to this notice and also available on Company's website: <https://www.cheviotgroup.com>.

NOTICE (Contd..)

12. Members are required to submit their bank details to enable the Company to electronically credit dividend directly to their respective bank accounts as mandated by the Securities and Exchange Board of India ("SEBI"). In the event the Company or Banker is unable to process the dividend to any member in electronic mode, due to non-availability of bank details or for any other reason whatsoever, the Company shall arrange to despatch the dividend warrant/demand draft by post.
13. Members holding shares in physical form are requested to submit relevant Form ISR-1/ISR-2/ISR-3/SH-13/SH-14 to the Company or to the Registrar for registering or updating their bank account details, registered address, PAN, e-mail ID, nomination, etc., if they have not done so already. Forms are available for download from the websites of the Company (<https://www.cheviotgroup.com>) and Registrar (<https://www.mdpl.in/>). Members holding the shares in dematerialised form are requested to intimate all changes relating to their bank account, registered address, PAN, e-mail ID, nomination, etc. to their respective DPs, if they have not done so already.
14. Pursuant to Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requests for transfer, transmission or transposition of securities shall be processed in dematerialised form only. Moreover, SEBI Circular dated January 25, 2022 has mandated listed companies to issue the securities in dematerialised form only while processing the investor service requests such as issue of duplicate securities certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/folios etc. SEBI Circular dated May 18, 2022 and May 25, 2022 have simplified the procedure and standardised the format of documents for transmission of securities and issue of duplicate securities certificates. Members are requested to submit requests in Form ISR-4 or ISR-5, as may be applicable, duly filled and signed, available for download from the websites of the Company (<https://www.cheviotgroup.com>) and Registrar (<https://www.mdpl.in/>). Please note that service requests can be processed only after the folio is KYC compliant. Members holding shares in physical form are requested to consider dematerialising their shares to avail themselves of the benefits of dematerialisation and eliminate risks associated with physical share handling.
15. Pursuant to Circular dated March 16, 2023 issued by SEBI, it is mandatory for all members holding shares in physical form to furnish PAN, nomination, contact details, bank account details and specimen signature for their corresponding folio numbers. The folios wherein any one of the document/details cited in the Circular is not available on or after October 1, 2023, shall be frozen by the Registrar. If the securities continue to remain frozen as on December 31, 2025, the Registrar/Company shall refer such frozen folio(s) to the administering authority under the Prohibition of Benami Property Transactions Act, 1988 and/or Prevention of Money Laundering Act, 2002. Members holding shares in physical form are requested to go through the communication dated January 1, 2022 and April 26, 2023 sent by the Company in this regard and submit Form ISR-1 and/or Form ISR-2 to the Registrar to keep their folios KYC compliant, if they have not done so already. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members can opt-out of nomination through Form ISR-3 after cancelling the existing nomination, if any, through Form SH-14. These forms are available for download from the websites as mentioned at Note 13 hereinabove.
16. Unpaid/unclaimed dividend for the financial year ended March 31, 2015 and March 31, 2016 and the corresponding ordinary shares of the Company in respect of which dividend remain unpaid/unclaimed for seven consecutive years have been transferred to the Investor Education and Protection Fund ("IEPF") during September-October, 2022 and April-May, 2023 respectively. Unpaid/unclaimed dividend for the financial year ended March 31, 2017 and the corresponding ordinary shares of the Company in respect of which dividend remain unpaid/unclaimed for seven consecutive years shall become due for transfer to the IEPF during October, 2024. Members are requested to claim their dividend, details of which are available on the website (<https://www.cheviotgroup.com>) before transfer to IEPF. Members whose unclaimed dividend/shares have been transferred to IEPF, may claim back the same from the IEPF Authority by filing Form No. IEPF-5, for which details are available on the IEPF website (<https://www.iepf.gov.in>). Claimants are advised to approach the Company or the Registrar for issue of entitlement letter along with all the required documents before filing of claim(s) with the IEPF Authority. Mr. Aditya Banerjee, Company Secretary and Compliance Officer of the Company is the Nodal Officer for the purpose of verification of IEPF claims.
17. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.

NOTICE (Contd..)

18. I. PROCESS AND MANNER FOR VOTING BY ELECTRONIC MEANS:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ('SS-2'), 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 facility for e-voting will be provided by NSDL.

THE INSTRUCTIONS FOR REMOTE E-VOTING AND JOINING AGM THROUGH VC/OAVM ARE AS UNDER:

The remote e-voting period shall commence on **Monday, August 7, 2023 at 10:00 a.m. (IST)** and end on **Thursday, August 10, 2023 at 5:00 p.m. (IST)**. The remote e-voting module shall be disabled by NSDL for voting thereafter. Member, whose names shall appear in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e. **Friday, August 4, 2023**, may cast their votes electronically. 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 being **Friday, August 4, 2023**. Once the vote on a resolution is cast, the member shall not be allowed to change it subsequently.

How do I vote electronically using NSDL e-voting system?




The way to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-voting system

A) Login method for e-voting and joining AGM through VC/OAVM for individual members holding shares in dematerialised form

In terms of SEBI Circular dated December 9, 2020 e-voting facility is provided to all demat account holders, by way of a single login credential, through their demat accounts or website(s) of Depositories/DP(s). Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider ("ESP"). Members are advised to update their mobile number and email ID in their demat accounts in order to access e-voting facility.

Login method for individual members holding securities in dematerialised form is given below:

Type of member	Login Method
Individual members holding securities in dematerialised form with NSDL	<p>i) Existing IDEAS users can visit the website of NSDL (https://eservices.nsd.com/) either on a desktop/laptop or on a mobile phone. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under "IDEAS" section. This will prompt you to enter your User ID and Password. After successful authentication, you will be able to see e-voting services under value added services. Click on "Access to e-voting" under e-voting services and you will be able to see the e-voting page. Click on company name or ESP - NSDL and you will be re-directed to e-voting website of NSDL to cast your vote during the remote e-voting period or to join and cast your vote during AGM.</p> <p>ii) If you are not registered for IDEAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDEAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp.</p> <p>iii) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a desktop/laptop or on a mobile phone. Once the home page of NSDL e-voting website is launched, click on the "Login" icon available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be able to see e-voting page. Click on options available against company name or ESP - NSDL and you will be redirected to e-voting website of NSDL to cast your vote during the remote e-voting period or to join and cast your vote during AGM.</p> <p>iv) Members can also download NSDL mobile app "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience:</p> <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>

NOTICE (Contd..)

Type of member	Login Method
Individual members holding securities in dematerialised form with Central Depository Services (India) Limited (CDSL)	<p>i) Registered users of CDSL Easi/Easiest facility can login through their existing User ID and password. Option will be made available to reach the e-voting page without any further authentication. The users can sign in Easi/Easiest website by visiting CDSL website www.cdslindia.com and click on Login to - My Easi tab under quick links and then use their existing User ID and password.</p> <p>ii) After successful login the Easi/Easiest users will be able to see the e-voting option. On clicking the e-voting option, you will be able to see e-voting page of the ESP – NSDL to cast your vote during the remote e-voting period or to join and cast your vote during AGM. Additionally, there is also links provided to access the system of all ESP, so that the users can visit the ESP website directly.</p> <p>iii) If you are not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on Login to - My Easi tab under quick links and then click on To Register for Easi/Easiest.</p> <p>iv) Alternatively, you can directly access e-voting page by providing demat account number and PAN from an e-voting link available on www.cdslindia.com home-page. The system will authenticate the user by sending OTP on registered mobile number and email ID as recorded in the demat account. After successful authentication, user will be able to see the e-voting option where the e-voting is in process and also able to directly access the system of all ESP.</p>

Type of member	Login Method
Individual members (holding securities in dematerialised form) login through their depository participant(s)	Individual members can also login using the login credentials of their demat account through their Depository Participant(s) registered with NSDL/CDSL for e-voting facility. Once logged in, you will be able to see the e-voting option. Click on e-voting option, you will be redirected to NSDL/CDSL depository site after successful authentication, wherein you can see e-voting feature. Click on company name or ESP - NSDL and you will be redirected to e-voting website of NSDL to cast your vote during the remote e-voting period or to join and cast your vote during AGM.

Important note: Members who are unable to retrieve User ID/ Password are advised to use “**Forget User ID**” and “**Forget Password**” options available on the websites of NSDL/CDSL/DP(s).

Helpdesk for individual members holding securities in dematerialised form for any technical issues related to login through depositories i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: (022) 4886 7000 or (022) 2499 7000.
Securities held with CDSL	Contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or call at toll free no.: 1800 22 55 33.

B) Login method for e-voting and joining AGM through VC/OAVM for members other than individual members holding securities in dematerialised form and members holding securities in physical form.

How to log-in to NSDL e-voting system?

1. Visit e-voting website of NSDL by opening your web browser and type the following URL either on a desktop/laptop or on a mobile phone: <https://www.evoting.nsdl.com/>.
2. Once the home page of NSDL e-voting website is launched, click on the “**Login**” icon available under ‘**Shareholder/Member**’ section.
3. A new screen will open. You will have to enter your User ID, Password/OTP 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. 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.

NOTICE (Contd..)

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 – 124554, followed by Folio Number registered with the Company. For example, if your Folio Number is 001*** then your User ID is 124554001***

5. Password details for members other than individual members holding securities in dematerialised form are given below:

- i) If you are already registered for e-voting, then you can use your existing Password to login and cast your vote.
 - ii) If you are using the NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will prompt you to change your password.
 - iii) How to retrieve your 'initial password'?
 - a) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you by NSDL from your mailbox. Open the email and open the attachment (it will be a .pdf file). Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for your NSDL account or the last 8 digits of your client ID for your CDSL account or Folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - b) If your e-mail ID is not registered, then please follow the steps as mentioned below at Note 18(II).
6. If you have not received the 'initial password' or are unable to retrieve it or have forgotten your Password:
- i) Click on the '**Forgot User Details/Password?**' (If you are holding shares in your demat account with NSDL or CDSL) option available on <https://www.evoting.nsdl.com/>.
 - ii) Click on '**Physical User Reset Password?**' (If you are holding shares in physical form) option 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 system 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 address etc.
7. After entering your password, tick on agree to "**Terms and Conditions**" by selecting on the check box.
8. Next, you will have to click on '**Login**' button.
9. After you click on the '**Login**' button, the homepage of e-voting will open.

Step 2: Cast your vote electronically and join AGM through VC/OAVM on NSDL e-voting system.

How to cast your vote electronically and join AGM through VC/OAVM on NSDL e-voting system?

1. After successful login, by following Step 1, you will be able to see the 'EVEN' of all the companies in which you hold shares and whose voting cycle and/or AGM are in 'active' status.
2. Select '**EVEN – 124554**' of **Cheviot Company Limited** for which you wish to cast your vote during the remote e-voting period and/or cast your vote during AGM.
3. To join AGM, you need to click on "**VC/OAVM**" link placed under "**Join Meeting**".
4. Now you are ready for e-voting as the voting page opens.
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. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

NOTICE (Contd..)

General guidelines for members

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the NSDL e-voting system 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.
2. In case of any query/grievance connected with remote e-voting or e-voting at the AGM, members may refer to the Frequently Asked Questions (FAQs) for Shareholders and E-voting User Manual for Shareholders available at the download section of www.evoting.nSDL.com or call on the toll-free no.: (022) 4886 7000 or (022) 2499 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager at evoting@nsdl.co.in.

II. PROCESS FOR THOSE MEMBERS WHOSE EMAIL ADDRESS IS NOT REGISTERED WITH THE COMPANY/DEPOSITORIES, TO REGISTER THEIR EMAIL ADDRESS AND/OR TO PROCURE USER ID AND PASSWORD FOR E-VOTING AND TO PARTICIPATE AT THE AGM THROUGH VC/OAVM:

1. Members holding shares in physical form and who have not registered their email address with the Company can get the same registered by submitting Form ISR-1 by email to mdpldc@yahoo.com or investorservices@chevjute.com or by post to the office of the Registrar at 23, R.N. Mukherjee Road, 5th Floor, Kolkata 700 001 West Bengal.
2. Members holding shares in the dematerialised form and who have not registered their email address are requested to register/update their email address with their respective DP(s).
3. Individual members holding securities in dematerialised form are requested to refer to the login method explained at Step 1(A) under Note 18(I) above i.e. Login method for e-voting and joining AGM through VC/OAVM for individual members holding shares in dematerialised form. Individual members holding securities in dematerialised form are allowed to vote through their demat account maintained with DP(s). Individual members are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
4. Alternatively, members may send a request to evoting@nsdl.co.in for procuring User ID and password for e-voting by providing relevant documents viz. scan copies of share certificate (front and back) and PAN of member for physical folios or scan copies of client master and PAN of member for demat holders.

III. THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM ARE AS UNDER:

1. The e-voting facility will be available at the AGM. The procedure for e-voting during the AGM is same as the instructions mentioned above for remote e-voting.
 2. Only those members, who will be present at the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through NSDL e-voting system during the AGM.
 3. Members who have cast their vote by remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
 4. The details of the person who may be contacted for any grievance connected with the facility for e-voting during the AGM shall be the same person mentioned for remote e-voting.
- IV.** A member, whose name appears in the Register of Member or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e. **Friday, August 4, 2023**, shall only be entitled to vote and attend the AGM through VC/OAVM.
- V.** Any person, who acquires share(s) of the Company and becomes member of the Company after despatch of the notice of AGM and holding share(s) as on the cut-off date, **Friday, August 4, 2023**, may obtain the User ID and password by sending a request at evoting@nsdl.co.in.

However, if a member is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password to cast his/her vote. Individual members holding securities in dematerialised form are requested to refer to the login method explained at Step 1(A) under Note 18(I) above i.e. Login method for e-voting and joining AGM through VC/OAVM for individual members holding shares in dematerialised form.

NOTICE (Contd..)

VI. Mr. Mohan Ram Goenka, a practicing company secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, unblock and count the total votes cast by the members, in the presence of at least two witnesses not in employment of the Company, and submit a consolidated Scrutinizer's Report to the Chairman or a person authorised by him in writing.

VII. The results of the e-voting will be declared within two working days from the conclusion of the AGM. Immediately after declaration, the e-voting results along with the Scrutinizer's Report shall be placed on the websites of the Company (<https://www.cheviotgroup.com>) and NSDL (<https://www.evoting.nsdl.com/>). The results shall simultaneously be forwarded to the stock exchanges viz. BSE Limited (<https://www.bseindia.com>) and NSE (<https://www.nseindia.com>), where the shares of the Company are listed.

VIII. INSTRUCTIONS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access NSDL e-voting system by following "**Step 1 - Access to NSDL e-voting system**". After successful login, members can see link of '**VC/OAVM**' link placed under "**Join Meeting**" menu against company name. You are requested to click on '**VC/OAVM**' link placed under "**Join Meeting**" menu. The link for VC/OAVM will be available in "**Shareholder/Member**" login where the **EVEN - 124554** of Company will be displayed. 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 instructions mentioned above in this notice to avoid last minute rush. Further, members can also use the OTP based login for logging into the NSDL e-voting system.
 2. Members are requested to use stable internet connection (Wi-Fi or LAN) to avoid any audio/visual loss during the AGM. Members may use Laptop for better experience.
 3. Members who would like to express their views or raise any question during the AGM need to register themselves as a speaker by sending a request from their registered email address mentioning their name, DPID and CLID/Folio number, mobile number at investorservices@chevjute.com latest by 4:00 P.M. on Wednesday, August 9, 2023. Members, who are successfully registered as speaker will be informed over email on Thursday, August 10, 2023. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time for the AGM.
 4. Institutional investors, who are members of the Company, are encouraged to participate at the AGM through VC/OAVM and exercise their right to vote on the resolutions.
19. 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.
20. In terms of Sections 101 and 136 of the Companies Act, 2013 read with relevant Rules made thereunder and MCA clarification Circular(s) issued from time to time, notice calling the AGM and the Annual Report for the financial year ended March 31, 2023, comprising of Board's Report, Independent Auditors' Report, Financial Statements, etc. will be sent by electronic mode to those members whose email address are available on record. Members are requested to register/update their email address by following the steps mentioned above at Note 18(II) to receive these documents through email. Notice calling the AGM and the Annual Report for the financial year ended March 31, 2023 will also be available on the website of the Company (<https://www.cheviotgroup.com>) and on the websites of the stock exchanges viz. BSE Limited (<https://www.bseindia.com>) and NSE (<https://www.nseindia.com>).
21. The Register of Directors and Key Managerial Personnel and their Shareholding, Register of Contracts or Arrangements in which Directors are interested and all other documents referred to in this notice shall remain open and accessible in electronic form for inspection by the members during the AGM.
22. Members desirous of getting any information about the financial statements and/or operations of the Company are requested to send their queries at investorservices@chevjute.com at least 10 (ten) days in advance of the AGM i.e. by Tuesday, August 1, 2023, so that proper information can be made available at the AGM.
23. Members whose shares are lying in the unclaimed suspense account of the Company in dematerialised form are requested to contact the Registrar by email at mdpldc@yahoo.com or by post at 23, R.N. Mukherjee Road, 5th Floor, Kolkata 700 001 West Bengal to claim their shares. The details are available on the website of the Company (<https://www.cheviotgroup.com>).

NOTICE (Contd..)

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

Item No. 4

The Board of Directors, on the recommendation of the nomination and remuneration committee, at their meeting held on May 25, 2023 have appointed Mr. Abhishek Murarka (holding DIN 00118310), aged 46 years, (Mr. Murarka) as an additional director of the Company with effect from May 25, 2023. In terms of Section 161(1) of the Companies Act, 2013 ("the Act") read with Article 131 of the Article of Association of the Company, he shall hold office up to the date of this AGM and shall be eligible for appointment as a Director by the members at this AGM.

Mr. Murarka has received his Bachelor's degree of commerce from St. Xavier's College, Kolkata and is in the employment of the Company since October 8, 2010. He held the position of Chief General Manager and was responsible for handling administrative functions and material procurement. He has also been involved in various activities at Falta Special Economic Zone Plant. He has been working in the Jute Industry since 1998 and has overall knowledge of its operations.

In terms of Section 160 of the Act, the Company has received a notice in writing from a member, proposing the candidature of Mr. Murarka for the office of director. Mr. Murarka has given his consent to hold the office of director, if appointed.

Brief profile and other information in respect of Mr. Murarka seeking appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ('SS-2') are provided in **Annexure** forming part of this Notice.

Except Mr. Murarka, being an appointee, 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. 4 of the Notice.

The Board of Directors recommend passing of the proposed Ordinary Resolution as set out at Item No. 4 of the Notice.

Item No. 5

The Board of Directors, on the recommendation of the nomination and remuneration committee, at their meeting held on May 25, 2023 have appointed Mr. Abhishek Murarka (holding DIN 00118310), aged 46 years, (Mr. Murarka) as Wholetime Director of the Company for a term of 5 (five) years effective from May 25, 2023, whose office shall be liable to determination by retirement of directors by rotation, on the terms and conditions as to remuneration and otherwise mentioned in the draft agreement to be entered between the Company and Mr. Murarka, subject to approval of the members at the ensuing annual general meeting of the Company.

The Board of Directors are of the view that the appointment of Mr. Murarka as Wholetime Director will be beneficial to the functioning and future growth of the Company and the terms and conditions including the remuneration governing his appointment as recommended by nomination and remuneration committee is commensurate with his experience and in accordance with the Remuneration Policy of the Company.

The Board of Directors recommend his appointment.

Pursuant to Section 196 of the Companies Act, 2013 ("the Act"), the principal terms and conditions including the remuneration governing the appointment of Mr. Murarka are set out below:

1. Salary: ₹ 1,86,000/- per month or such other sum not exceeding ₹ 4,00,000/- per month as may be determined by the Board of Directors from time to time.
2. Commission: Commission may be payable at the absolute discretion of the Board of Directors, of such amount, as may be approved by the Board of Directors for each year.
3. Perquisites: Mr. Murarka shall 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 of Directors from time to time. Provision for use of Company car for official purpose and telephone at residence for 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 Act read with Schedule V thereto.

NOTICE (Contd..)

4. Mr. Murarka will also be entitled to the following perquisites:
 - (a) The Company' 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. Murarka 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. Murarka 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. Murarka 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 of Directors from time to time.
8. Mr. Murarka and the Company shall have right to terminate the appointment by giving three months' prior notice in writing to the other.

Brief profile and other information in respect of Mr. Murarka seeking appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ('SS-2') are provided in **Annexure** forming part of this Notice.

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

Except Mr. Murarka, being an appointee, 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.

Item No. 6

On the recommendation of the audit committee, the Board of Directors have approved the re-appointment of M/s D. Radhakrishnan & Co., Cost Accountants (Registration No. 000018), being eligible and having sought re-appointment, as cost auditor of the Company, to conduct audit of the cost accounting records maintained by the Company for the financial year ending March 31, 2024 for a remuneration of ₹ 40,000/- (Rupees Forty Thousand only) plus applicable taxes and re-imburement of out of pocket expenses on actuals as required in terms of the Companies (Cost Records and Audit) Rules, 2014.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, consent of the members is sought for ratification of the remuneration payable to the cost auditor for the financial year ending March 31, 2024.

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. 6 of the Notice.

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

By Order of the Board of Directors
of **Cheviot Company Limited**
Aditya Banerjee
Company Secretary and Compliance Officer
FCS 10954

Kolkata, May 25, 2023

CIN: L65993WB1897PLC001409

Registered Office: 24, Park Street, Celica House, 9th Floor, Celica Park, Kolkata - 700 016

Ph: +91 82320 87911/12/13 | Email: cheviot@chevjute.com | Website: www.cheviotgroup.com

NOTICE (Contd..)

ANNEXURE

Information in respect of director(s) seeking appointment/re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting ('SS-2'):

1	Name	Mr. Utkarsh Kanoria	Mr. Abhishek Murarka
2	DIN	06950837	00118310
3	Age	31 years	46 years
4	Date of first appointment on the Board	May 24, 2017	May 25, 2023
5	Qualifications	Bachelor of Science, Business Administration (Finance)	Bachelor of Commerce
6	Experience/Expertise in Specific Functional Areas	Leadership abilities with practical understanding of business processes, financial management, risk management and day-to-day administrative functions of the organisation.	Handling administrative functions and material procurement. He has been working in the Jute Industry since 1998 and has overall knowledge of its operations.
7	Terms and Conditions of appointment/re-appointment along with details of remuneration sought to be paid	Contractual appointment, liable to retire by rotation, as per terms and conditions including remuneration, to be determined by the Board within the limits approved by the members.	Contractual appointment, liable to retire by rotation, as per terms and conditions including remuneration, to be determined by the Board within the limits approved by the members.
8	Remuneration last drawn by such person, if applicable.	₹ 386.04 Lakhs during the year ended March 31, 2023.	NA
9	Number of Board Meetings attended during the financial year 2022-23	4 (four) out of 4 meetings held during the year.	NA
10	Directorship held in other listed companies. (As on March 31, 2023)	None	None
11	Listed companies from which the person has resigned in the past three years	None	None
12	Directorship in unlisted companies (As on March 31, 2023)	(i) Harsh Investments Private Limited (ii) Indian Jute Mills Association	Cheviot Agro Industries Private Limited
13	Chairmanship/Membership of Committees of other Boards (As on March 31, 2023)	NIL	NIL
14	Shareholding in the Company (As on March 31, 2023)	2,20,422 ordinary shares of face value of ₹ 10/- each	1 ordinary share of face value of ₹ 10/- each
15	Relationship with other director(s)/ other key managerial personnel(s) of the Company	Related to Mr. Harsh Vardhan Kanoria (father) and Mrs. Malati Kanoria (mother) on the Board of Directors.	None

Notes:

- Mr. Utkarsh Kanoria was appointed as a Wholetime Director of the Company for a period of 5 (five) years with effect from May 24, 2022 and is liable to retire by rotation at this AGM, and being eligible, offers himself for re-appointment. Upon re-appointment, he shall continue to hold the office of Wholetime Director for the unexpired term, as approved by the members at the 124th AGM held on August 12, 2022. The Board of Directors recommend passing of the proposed Ordinary Resolution as set out at Item No. 3 of the Notice.
- The directors seeking appointment/re-appointment are not disqualified from being appointed as director in terms of Section 164 of the Companies Act, 2013 and have given their consent to act as directors, if appointed.

COMMUNICATION ON TAX DEDUCTION ON DIVIDEND

Dear Members,

We are pleased to inform that the Board of Directors at their meeting held on Thursday, May 25, 2023 have recommended payment of final dividend of ₹ 27/- per fully paid-up ordinary share of face value of ₹ 10/- each for the financial year ended March 31, 2023, subject to approval of the members at the ensuing annual general meeting of the Company convened to be held on **Friday, August 11, 2023**. The dividend will be paid to those members whose name shall appear in the Register of Members or in the Register of Beneficial Owners maintained by the depositories, as on the Record Date, Friday, August 4, 2023.

Pursuant to Section 194 of the Income Tax Act, 1961 ("IT Act"), the Company is now under an obligation to deduct tax at source (TDS) at the prescribed rates applicable to each category of members, wherever applicable, at the time of making the payment of dividend.

This communication provides a brief on the applicable TDS provisions under the IT Act for Resident and Non-Resident members and information/documents required from the members.

A. Resident Members :

1. No TDS shall be deducted on dividend payable to resident individuals, if aggregate dividend does not exceed ₹ 5,000/- during that financial year.
2. In other cases, TDS is required to be deducted at the rate of **10%** u/s 194 of the IT Act where members have registered their valid Permanent Account Number (PAN). In case PAN is not available or invalid, TDS at higher rate of **20%** shall be deducted under Section 206AA of the IT Act.
3. No TDS shall be deducted from dividend payable to Mutual Funds, Insurance Companies, Category I and II Alternative Investment Fund, Recognised Provident Funds, Approved Superannuation Fund, Approved Gratuity Fund, National Pension Scheme, Government (Central/State) or any other entity entitled to exemption from TDS for the time being in force, subject to specified conditions and submission of declaration as per **Annexure 1** with certified copies of evidence.
4. No TDS shall be deducted on furnishing of valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of sixty years with no tax liability on total income). Formats of Form 15G and Form 15H are enclosed as **Annexure 2** and **Annexure 3**, respectively.
5. TDS will be deducted at lower/nil rate prescribed in the certificate issued u/s 197 of the IT Act, if valid certificate is submitted.
6. TDS will be deducted at higher rate of **20%** from dividend payable to resident members who are identified as 'specified person' under Section 206AB of the IT Act on the basis of the mechanism prescribed by the CBDT. The Company will use the functionality "Compliance Check for Sections 206AB & 206CCA" available through reporting portal of the Income-tax Department to determine the applicability of Section 206AB of the IT Act.

B. For Non-resident Members :

1. TDS shall be deducted at the rate of **20%** (plus applicable surcharge and cess) u/s 196D of the IT Act in case of Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs) and u/s 195 of the IT Act for other non-resident members.
2. TDS shall be deducted at lower/nil rate on submission of valid certificate issued u/s 197/195 of the IT Act.
3. Non-resident members may avail lower TDS rate as per Agreement for Avoidance of Double Taxation (DTAA) between India and the country of tax residence of the non-resident member, on furnishing the below specified documents:
 - a) Self-attested copy of PAN. In case PAN is not available, provide information and documents as mentioned in Rule 37BC(2) of the Income-Tax Rules, 1962 (IT Rules);
 - b) Self-attested copy of valid Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the member is a resident;
 - c) Copy of Form 10F to be filed electronically as per DGIT (Systems) Notification No. 3 of 2022 dated July 16, 2022; and
 - d) Self-declaration on letterhead of having no Permanent Establishment in India, beneficial ownership of shares and eligibility to claim treaty benefits as per **Annexure 4**.

Please note that the application of beneficial DTAA rate at the time of tax deduction on dividend shall be subject to completeness and satisfactory review by the Company, of the documents submitted by the non-resident members.

COMMUNICATION ON TAX DEDUCTION ON DIVIDEND (Contd..)

C. Submission of documents and other matters:

1. The documents such as valid PAN, Forms 15G/15H/Self-declaration/documentary evidence etc. are required to be submitted duly completed and signed by email at mdpldc@yahoo.com or investorservices@chevjute.com or by post to the Registrar and Share Transfer Agent, M/s Maheshwari Datamatics Private Limited at 23, R.N. Mukherjee Road, 5th Floor, Kolkata 700001, on or before the Record Date, Friday, August 4, 2023.
2. Members, who are eligible to obtain Aadhaar, are urged to verify their PAN-Aadhaar linking is done as per CBDT mandate to keep their PAN valid.
3. Please update/verify your PAN and the residential status as per IT Act, if not done so already, with your respective Depository Participant(s) (in case of shares held in dematerialised form) and with the Company's Registrar and Share Transfer Agent, M/s Maheshwari Datamatics Private Limited (in case of shares held in physical form) on or before the Record Date, Friday, August 4, 2023.
4. TDS will be calculated based on details of first holder/registered member/beneficial owner only as appearing on Record Date. Once TDS is deducted, no transfer of such TDS in the name of another person shall be entertained under any circumstances.
5. TDS certificate will be sent to the members' registered email address in due course after payment of dividend and filing of TDS Return. Members will also be able to view the TDS details in Form 26AS by login to <https://eportal.incometax.gov.in/> provided that valid PAN is registered with the Company/Depository Participant(s).
6. Pursuant to Rule 37BA(2) of the IT Rules, in case, the dividend income is assessable to tax in the hands of a person other than the registered Member as on the Record Date, Friday, August 4, 2023, the registered member is required to furnish a declaration containing the name, address, PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person on or before Friday, August 4, 2023. No request in this regard would be accepted by the Company/Registrar after the said date.
7. TDS on dividend payable on ordinary shares of the Company, which have been transferred to Investor Education and Protection Fund ('IEPF') in terms of Section 124(6) of the Companies Act, 2013 and Rules framed thereunder shall be determined on the basis of the shareholding of respective members entitled to those shares.
8. In case of incomplete or conflicting information, or the valid information/documents not being provided, the Company will arrange to deduct tax at the maximum applicable rate. In case TDS is deducted at a higher rate, an option is still available with the member to file the return of income and claim an appropriate refund, if eligible. Once deducted, no claim shall lie against the Company in relation to TDS.
9. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the member(s), such member(s) will be responsible to indemnify the Company and also, provide the Company with all valid information/documents.

D. Furnishing of Bank details:

Members are requested to ensure that their bank account details are updated with the Company/Registrar/Depository Participant(s) to get the dividend in their respective bank accounts electronically credited.

Kolkata, May 25, 2023

CIN: L65993WB1897PLC001409

Registered Office: 24, Park Street, Celica House, 9th Floor, Celica Park, Kolkata - 700 016

Ph: +91 82320 87911/12/13 | Email: cheviot@chevjute.com | Website: www.cheviotgroup.com

By Order of the Board of Directors
of **Cheviot Company Limited**
Aditya Banerjee
Company Secretary and Compliance Officer
FCS 10954

Disclaimer: This communication should not be treated as an advice on tax matters from the Company or its Registrar, M/s Maheshwari Datamatics Private Limited. Members should consult with their own tax advisors for proper understanding of the tax provisions applicable in their case.



COMMUNICATION ON TAX DEDUCTION ON DIVIDEND (Contd..)

ANNEXURE – 1

FORMAT FOR DECLARATION REGARDING CATEGORY AND BENEFICIAL OWNERSHIP OF SHARES

Date:

To,
Cheviot Company Limited
24, Park Street,
Celica House, 9th Floor, Celica Park
Kolkata 700 016

Subject: Declaration regarding Category and Beneficial Ownership of shares

Ref: PAN < Mention PAN of Member >

Folio Number/DP ID/Client ID – < Mention all the account details >

With reference to the captioned subject, and in relation to the appropriate withholding of taxes on the Dividend payable to me/us by **Cheviot Company Limited** (the Company), I/We hereby declare as under:

- I/We,<mention Full name of the member >, holding< mention number of shares held> ordinary share(s) of the Company as on the Record Date, hereby declare that I am/we are tax resident of India for the period April 2023-March 2024.
- I/We hereby declare that <Select whichever is applicable>:

<input type="checkbox"/>	We are an Insurance Company and are the beneficial owner of the share(s) held in the Company and we are submitting self-attested copy of PAN Card.
<input type="checkbox"/>	We are a Mutual Fund specified in Section 10(23D) of the Income Tax Act, 1961 (the IT Act) and are the beneficial owner of the share(s) held in the Company and we are submitting self-attested copy of PAN Card and registration certificate.
<input type="checkbox"/>	We are Alternative Investment fund established in India and are the beneficial owner of the share(s) held in the Company and our income is exempt under Section 10(23FBA) of the IT Act and is governed by SEBI regulations as Category I or Category II AIF and we are submitting self-attested copy of the PAN card and registration certificate.
<input type="checkbox"/>	I/We are<mention category of the entity> and are the beneficial owner of the share(s) held in the Company and are not subject to tax deduction at source under Section 196 of the IT Act and we are submitting self-attested copy of the documentary evidence supporting the exemption status along with self-attested copy of PAN card.

- I/We further indemnify the Company for any penal consequences arising out of any act of commission or omission initiated by the Company by relying on my/our above statement.
- I/We hereby confirm that the above declaration should be considered to be applicable for all the shares held in the Company under PAN/ Folios declared in this form.

For.....<Mention the name of the payee>

Authorised Signatory
<Name of the person signing>
<Designation of the person signing>

COMMUNICATION ON TAX DEDUCTION ON DIVIDEND (Contd..)

ANNEXURE – 2

FORM NO. 15G

[See section 197A(1), 197A(1A) and rule 29C] [e-Form]

Declaration under section 197A(1) and section 197A(1A) to be made by an individual or a person (not being a company or firm) claiming certain incomes without deduction of tax

1. Name of Assessee (Declarant)		2. Permanent Account Number or Aadhaar Number of the Assessee		
3. Status	4. Previous year (P.Y.) (for which declaration is being made)		5. Residential Status	
6. Flat/Door/Block No.	7. Name of Premises	8. Road/Street/Lane		9. Area/Locality
10. Town/City/District	11. State	12. PIN		13. Email
14. Telephone No. (with STD Code) and Mobile No.		15. (a) Whether assessed to tax under the Income-tax Act, 1961 <input type="checkbox"/> Yes <input type="checkbox"/> No (b) If yes, latest assessment year for which assessed		
16. Estimated income for which this declaration is made		17. Estimated total income of the P.Y. in which income mentioned in column 16 to be included		
18. Details of Form No.15G other than this form filed during the previous year, if any				
Total No. of Form No.15G filed		Aggregate amount of income for which Form No.15G filed		
19. Details of income for which the declaration is filed				
Sl. No	Identification number of relevant investment/account, etc.	Nature of income	Section under which tax is deductible	Amount of income

.....
Signature of the Declarant

Declaration/Verification

*I/We.....do hereby declare that to the best of *my/our knowledge and belief what is stated above is correct, complete and is truly stated. *I/We declare that the incomes referred to in this form are not includible in the total income of any other person under sections 60 to 64 of the Income-tax Act, 1961. *I/We further declare that the tax *on my/our estimated total income including *income/incomes referred to in column 16 *and aggregate amount of *income/incomes referred to in column 18 computed in accordance with the provisions of the Income-tax Act,1961, for the previous year ending on relevant to the assessment year will be nil. *I/We also declare that *my/our *income/incomes referred to in column 16 *and the aggregate amount of *income/incomes referred to in column 18 for the previous year ending on relevant to the assessment year will not exceed the maximum amount which is not charge-able to income-tax.

Place:

Date:

.....
Signature of the Declarant

PART II

[To be filled by the person responsible for paying the income referred to in column 16 of Part I]

1. Name of the person responsible for paying		2. Unique Identification No.		
3. Permanent Account Number or Aadhaar Number of the person responsible for paying	4. Complete Address		5. TAN of the person responsible for paying	
6. Email	7. Telephone No. (with STD Code) and Mobile No.	8. Amount of income paid		
9. Date on which Declaration is received (DD/MM/YYYY)		10. Date on which the income has been paid/credited (DD/MM/YYYY)		

Place:

Date:

.....
Signature of the person responsible for paying the income referred to in column 16 of Part I

* delete whichever is not applicable.

COMMUNICATION ON TAX DEDUCTION ON DIVIDEND (Contd..)

ANNEXURE – 3

FORM NO. 15H

[See section 197A(1C) and rule 29C] [e-Form]

Declaration under section 197A(1C) to be made by an individual who is of the age of sixty years or more claiming certain incomes without deduction of tax.

PART I

1. Name of Assessee (Declarant)		2. Permanent Account Number or Aadhaar Number of the Assessee		3. Date of Birth (DD/MM/YYYY)	
4. Previous year(P.Y.) (for which declaration is being made)		5. Flat/Door/Block No.		6. Name of Premises	
7. Road/Street/Lane	8. Area/Locality	9. Town/City/District	10. State		
11. PIN	12. Email	13. Telephone No. (with STD Code) and Mobile No.			
14 (a) Whether assessed to tax: <input type="checkbox"/> Yes <input type="checkbox"/> No (b) If yes, latest assessment year for which assessed					
15. Estimated income for which this declaration is made			16. Estimated total income of the P.Y. in which income mentioned in column 15 to be included		
17. Details of Form No.15H other than this form filed for the previous year, if any					
Total No. of Form No.15H filed			Aggregate amount of income for which Form No.15H filed		
18. Details of income for which the declaration is filed					
Sl. No.	Identification number of relevant investment/ account, etc.	Nature of income	Section under which tax is deductible	Amount of income	

.....
Signature of the Declarant

Declaration/Verification

Ido hereby declare that I am resident in India within the meaning of section 6 of the Income-tax Act, 1961. I also hereby declare that to the best of my knowledge and belief what is stated above is correct, complete and is truly stated and that the incomes referred to in this form are not includible in the total income of any other person under sections 60 to 64 of the Income-tax Act, 1961. I further declare that the tax on my estimated total income including *income/incomes referred to in column 15 *and aggregate amount of *income/incomes referred to in column 17 computed in accordance with the provisions of the Income-tax Act, 1961, for the previous year ending on relevant to the assessment year will be nil.

Place:

Date:

Signature of the Declarant

PART II

[To be filled by the person responsible for paying the income referred to in column 15 of Part I]

1. Name of the person responsible for paying		2. Unique Identification No.	
3. Permanent Account Number or Aadhaar Number of the person responsible for paying	4. Complete Address	5. TAN of the person responsible for paying	
6. Email	7. Telephone No. (with STD Code) and Mobile No.	8. Amount of income paid	
9. Date on which Declaration is received (DD/MM/YYYY)		10. Date on which the income has been paid/ credited (DD/MM/YYYY)	

Place:

Date:

Signature of the person responsible for paying the income referred to in column 15 of Part I

* delete whichever is not applicable.

COMMUNICATION ON TAX DEDUCTION ON DIVIDEND (Contd..)

ANNEXURE – 4

FORMAT FOR DECLARATION FOR CLAIMING BENEFITS UNDER DTAA

Date:

To,
Cheviot Company Limited
 24, Park Street, Celica House, 9th Floor, Celica Park
 Kolkata 700 016

Subject: Declaration for eligibility to claim benefit under Agreement for Avoidance of Double Taxation between Government of India and Government of..... <Mention country of tax residency> (“DTAA”), as modified by Multilateral Instrument (“MLI”), if applicable

With reference to above, I/We wish to declare as below:

1. I/We, <Full name of the member>, having permanent account number (PAN) under the Income Tax Act, 1961 (“the IT Act”) <mention PAN>, if available, and holding <mention number of shares held> ordinary shares of the Company under demat account number/folio number..... as on the record date, am/are a tax resident of <country name> in terms of Article 4 of the DTAA as modified by MLI (if applicable) and do not qualify as a ‘resident’ of India under Section 6 of the IT Act. A copy of the valid tax residency certificate for <period>, which is valid as on the Record Date, is attached herewith.
2. I/We am/are eligible to be governed by the provisions of the DTAA as modified by MLI (if applicable), in respect of the dividend income and meet all the necessary conditions to claim treaty rate.
3. I/We am/are the legal and beneficial owner of the dividend income to be received from the Company.
4. I/We do not have a Permanent Establishment (“PE”) in India in terms of Article 5 of the DTAA as modified by MLI (if applicable) or a fixed base in India and the amounts paid/payable to us, in any case, are not attributable to the PE or fixed base, if any, which may have got constituted otherwise.
5. I/We do not have a PE in a third country and the amounts paid/payable to us, in any case, are not attributable to a PE in third jurisdiction, if any, which may have got constituted otherwise.
6. I/We do not have a Business Connection in India according to the provision of Section 9(1)(i) of the IT Act and the amounts paid/payable to us, in any case, are not attributable to business operations, if any, carried out in India.
7. I/We confirm that my affairs/affairs of <Full name of the member> were arranged such that the main purpose or the principal purpose thereof was not to obtain tax benefits available under the applicable tax treaty.
8. Further, my/our claim for relief under the tax treaty is not restricted by application of Limitation of Benefit clause, if any, thereunder.
9. I/We hereby certify that the declarations made above are true and bonafide. In case in future, any of the declarations made above undergo a change, I/we undertake to promptly intimate you in writing of the said event. You may consider the above representations as subsisting unless intimated otherwise.
10. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by me/us, I/We will be responsible to pay and indemnify such income tax demand (including interest, penalty, etc.) and provide the Company with all information/documents that may be necessary and co-operate in any proceedings before any income tax/appellate authority.

For.....<Mention the name of the payee>

Authorised Signatory
 <Name of the person signing>
 <Designation of the person signing>



Notes



CHEVIOT
SINCE 1897

CIN - L65993WB1897PLC001409

24, Park Street,

Celica House, 9th Floor, Celica Park,

Kolkata -700 016, West Bengal

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