

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a registered Shareholder(s) of the **Cheviot Company Limited** (the "Company" or "CCL") as on Record Date in accordance with Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager to the Buy Back (**VC Corporate Advisors Private Limited**) or Registrar to the Buy Back (**Maheshwari Datamatics Private Limited**). Please refer to the section on 'Definitions' for the definition of the capitalized terms used herein.



**Group
Cheviot**

Cheviot Company Limited

Corporate Identification Number: L65993WB1897PLC001409

Registered office and correspondence address: 9th Floor, Magma House, 24 Park Street, Kolkata-700 016

Contact Person: Mr. Aditya Banerjee, Company Secretary and Compliance Officer

Telephone: +91 8232087911/12/13; Fax: (033) 2249 7269/2217 2488

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

CASH OFFER FOR BUY BACK OF UP TO 2,00,000 (TWO LAKHS) FULLY PAID-UP ORDINARY SHARES OF FACE VALUE OF ₹ 10 EACH, REPRESENTING 4.43% OF THE TOTAL NUMBER OF ORDINARY SHARES IN THE ISSUED, SUBSCRIBED AND PAID-UP ORDINARY SHARE CAPITAL OF THE COMPANY AS ON MARCH 31, 2017, FROM ALL THE ELIGIBLE SHAREHOLDERS OF THE COMPANY AS ON JUNE 16, 2017 (THE RECORD DATE), ON A PROPORTIONATE BASIS, THROUGH THE "TENDER OFFER" ROUTE AT A PRICE OF ₹ 1,500 (RUPEES ONE THOUSAND FIVE HUNDRED ONLY) PER ORDINARY SHARE PAYABLE IN CASH FOR AN AGGREGATE CONSIDERATION NOT EXCEEDING ₹ 30,00,00,000 (RUPEES THIRTY CRORES ONLY)

1. The Buy Back is in accordance with Article 83 of the Articles of Association of the Company, the provisions of Sections 68, 69 and 70 and all other applicable provisions, if any, of the Companies Act, 2013, as amended, the relevant Rules framed thereunder and the provisions of the Buy Back Regulations. The Buy Back is subject to approvals, permissions and sanctions as may be necessary from regulatory authorities as required under applicable laws, including but not limited to SEBI and BSE where the ordinary shares of the Company are listed. The Buy Back would be facilitated by tendering of Ordinary Shares by shareholders and settlement of the same through the stock exchange mechanism as specified in accordance with SEBI circular number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, read with SEBI circular number CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as may be amended from time to time, which prescribes mechanism for tendering and settlement of ordinary shares through stock exchange. For the purpose of this Buy Back, BSE would be the Designated Stock Exchange.
2. The Buy Back Size represents 8.45% of the fully paid-up ordinary share capital and free reserves as per the standalone audited financial statements of the Company as on March 31, 2017 and is within the statutory limits of 10% of the aggregate of the fully paid-up ordinary share capital and free reserves as per the last standalone audited financial statements of the Company.
3. The Letter of Offer will be sent to the Shareholder(s) / Beneficial Owner(s) of Ordinary Shares of the Company as on the Record Date i.e. June 16, 2017.
4. The procedure for tender and settlement is set out in Paragraph 20 of this Letter of Offer. The tender form ("Tender Form") is enclosed together with this Letter of Offer.
5. For mode of payment of consideration to the Shareholders, please refer to Paragraph 20 of this Letter of Offer.
6. A copy of the Public Announcement and this Letter of Offer (including the Tender Form) will be available on the website of SEBI- <http://www.sebi.gov.in>.
7. Shareholders are advised to refer to Paragraph 17 (Details of the Statutory Approvals) and Paragraph 21 (Note on Taxation) of this Letter of Offer before tendering their Shares in the Buy Back.

BUY BACK OPENS ON: MONDAY, AUGUST 21, 2017

BUY BACK CLOSES ON: MONDAY, SEPTEMBER 04, 2017

LAST DATE/TIME OF RECEIPT OF COMPLETED APPLICATIONS, FORMS AND OTHER SPECIFIED DOCUMENTS INCLUDING PHYSICAL SHARE CERTIFICATES BY THE REGISTRAR : WEDNESDAY, SEPTEMBER 06, 2017

All future correspondence in relation to Buy Back, if any, should be addressed to the Manager to the Buy Back or the Registrar to the Buy Back at the respective addresses mentioned below:



MANAGER TO THE BUY BACK:		REGISTRAR TO THE BUY BACK:	
	VC CORPORATE ADVISORS PRIVATE LIMITED SEBI REGN NO: INM000011096 (Contact Person: Mr. Anup Kumar Sharma/Ms. Zeba Shaukat) 31 Ganesh Chandra Avenue, 2 nd Floor, Suite No -2C, Kolkata-700 013. Phone No : (033) 2225-3940 / 3941 Fax : (033) 2225-3941; Email: mail@vccorporate.com		MAHESHWARI DATAMATICS PRIVATE LIMITED SEBI REGN NO: INR000000353 (Contact Person: Mr. S. Rajagopal) 23, R.N. Mukherjee Road, (5th Floor), Kolkata - 700001 Phone No: (033) 2243 5029/5809; Fax : (033) 2248 4787; Email-Id:mdpldc@yahoo.com

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1. SCHEDULE OF ACTIVITIES

ACTIVITIES	DATE	DAY
Date of Board Meeting approving the Buy Back	May 24, 2017	Wednesday
Date of Public Announcement for Buy Back	May 25, 2017	Thursday
Date of publication of Public Announcement for Buy Back	May 26, 2017	Friday
Record Date for determining the Buy Back Entitlement and the names of Eligible Shareholders	June 16, 2017	Friday
Buy Back Opening date	August 21, 2017	Monday
Buy Back Closing date	September 04, 2017	Monday
Last date of receipt of the completed tender forms and other specified documents including physical Ordinary share certificates by the Registrar	September 06, 2017	Wednesday
Last Date of verification of Tender Forms by the Registrar	September 11, 2017	Monday
Last date of intimation regarding acceptance / non-acceptance of Tendered Ordinary Shares to the BSE Limited by the Registrar	September 12, 2017	Tuesday
Last date of Settlement of Bids on the BSE Limited	September 13, 2017	Wednesday
Last date of dispatch of share certificate(s) by Registrar / return of unaccepted demat Ordinary Shares by BSE Limited to Selling Member	September 13, 2017	Wednesday
Last date of Extinguishment of Ordinary Shares	September 20, 2017	Wednesday

2. DEFINITION OF KEY TERMS

Acceptance	Acceptance of Ordinary Shares tendered by Eligible Shareholder(s) in the Buy Back Offer
Act or Companies Act	The Companies Act, 2013, as amended
Acquisition Window	The facility for acquisition of Ordinary Shares through mechanism provided by BSE Limited in the form of a separate window in accordance with the SEBI Circulars.
Additional Shares	Shares tendered by an Eligible Shareholder over and above the Buy Back Entitlement of such shareholder not exceeding the ordinary shares held by such eligible shareholder as on the record date
Articles	Articles of Association of the Company
Board	The Board of Directors or the Committee of Directors of the Company
Board Meeting	Meeting of Board of Directors of Cheviot Company Limited held on May 24, 2017 approving the proposal for the Buy Back of Ordinary Shares
BSE	BSE Limited
Buy Back Regulations / SEBI (Buy Back of Securities) Regulations, 1998	Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended
Buy Back Entitlement or Entitlement	The number of Ordinary Shares that an Eligible Shareholder is entitled to tender in the Buy Back Offer, based on the number of Shares held by such Eligible Shareholder, on the Record Date and the ratio of Buy Back applicable in the category, to which such Shareholder belongs to.
Buy Back or Buy Back Offer or Offer	Offer by Cheviot Company Limited to Buy Back up to 2,00,000 Ordinary Shares having face value of ₹ 10/- each at a price of ₹ 1,500 per Ordinary Share from the Eligible Shareholder of the Company on a proportionate basis through Tender Offer route.
Buy Back Price or Offer Price	Price at which shares will be bought back from the Eligible Shareholder i.e. ₹ 1,500 per share, payable in cash
Buy Back Size or Offer Size	Number of Shares proposed to be bought back multiplied by the Buy Back Price i.e. ₹ 30,00,00,000/- [Rupees Thirty Crores Only]
Company	Cheviot Company Limited
CDSL	Central Depository Services (India) Limited
DP	Depository Participant
Eligible Shareholder(s) or Shareholder(s) or Members	Person(s) eligible to participate in the Buy Back Offer and would mean all shareholders/beneficial owner(s) of Ordinary Shares of the Company as on Record Date i.e. June 16, 2017.
Escrow Account	The Escrow Account titled "CCL- Buyback Offer Escrow Account" opened with the Escrow Agent in terms of Escrow Agreement
Escrow Agent	HDFC Bank Limited
Escrow Agreement	The escrow agreement entered into between the Company, the Manager to the Offer and escrow agent.
FEMA	Foreign Exchange Management Act, 1999
Offer Form / Tender Form	Form of Acceptance-cum-Acknowledgement
General Category	Eligible Shareholders other than the Small Shareholders
ITA or IT Act or Income Tax Act	Income Tax Act, 1961, as amended from time to time
LOF or Offer Document	Letter of Offer
LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Manager to the Buy Back or Manager to the Offer	VC Corporate Advisors Private Limited
Non-Resident Shareholders	Includes Non-Resident Indians (NRI), Foreign Institutional Investors (FII) and Overseas Corporate Bodies (OCB)
NSDL	National Securities Depository Limited
Ordinary Share(s) or Share(s)	The Company's fully paid-up ordinary share(s) of face value of ₹ 10/- (Rupees Ten) each
Offer Period or Tendering Period or Tender Period	Period of ten working days from the date of opening of the Buy Back Offer i.e. August 21, 2017 till its closure i.e. September 04, 2017 (both days inclusive)
PA or Public Announcement	The Public Announcement dated May 25, 2017, made in accordance with the Buy Back Regulations, published on May 26, 2017 in all English and Hindi editions of Business Standard (English and Hindi national daily), and Kolkata edition of Aajkaal (Regional language daily –Bengali), each with wide circulation
PAN	Permanent Account Number
RBI	Reserve Bank of India

Record Date	The date for the purpose of determining the entitlement and the names of the Shareholders, to whom this Letter of Offer will be sent and who are eligible to participate in the Buy Back Offer in accordance with Buy Back Regulations. The Record Date determined for this Buy Back Offer is June 16, 2017.
Registrar to the Buy Back or Registrar to the Offer	Maheshwari Datamatics Private Limited
Reserved Category	The Small Shareholders eligible to tender Shares in the Buy Back
SEBI	Securities and Exchange Board of India
SEBI Circulars	SEBI circular number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, read with SEBI circular number CFD/DCR2/CIR/P/2016/131 dated December 9,2016, as may be amended from time to time.
Seller Member or Seller Broker	A stock broker (who is a member of the BSE) of an Eligible Shareholder, through whom the Eligible Shareholder wants to participate in the Buy Back
Share Capital Rules	The Companies (Share Capital and Debentures) Rules, 2014
Small Shareholder	A Shareholder, who holds Shares of market value not more than ₹ 2,00,000/- (Rupees Two Lakhs only), on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on Record Date i.e. June 16, 2017
Stock Exchange or Recognized Stock Exchange	BSE Ltd, being the Stock Exchange where the shares of the Company are listed.
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Tender Offer	Method of Buy Back as defined in Regulation 2(1)(o) of the Buy Back Regulations
TRS	Transaction Registration Slip
Working Day	Working day as defined in Regulation 2(1)(p) of the Buy Back Regulations.

3. DISCLAIMER CLAUSE

- 3.1 As required, a copy of this Letter of Offer has been submitted to Securities and Exchange Board of India (SEBI). It is to be distinctly understood that submission of the Letter of Offer to SEBI should not, in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buy Back commitments or for the correctness of the statements made or opinions expressed in the offer document. The Manager to the Buy Back, M/s. VC Corporate Advisors Private Limited has certified that the disclosures made in the offer document are generally adequate and are in conformity with the provisions of the Act and Buy Back Regulations. This requirement is to facilitate investors to take an informed decision for tendering their shares in the Buy Back.
- 3.2. It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the offer document, the Manager to the Buy Back is expected to exercise Due Diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buy Back, M/s. VC Corporate Advisors Private Limited has furnished to SEBI a Due Diligence Certificate dated May 27, 2017, in accordance with Buy Back Regulations which reads as follows:
- “We have examined various documents and materials contained in the annexure to this letter, as part of the due-diligence carried out by us in connection with the finalization of the public announcement and letter of offer. On the basis of such examination and the discussions with the Company, we hereby state that:
- the Public Announcement and the Letter of Offer are in conformity with the documents, materials and papers relevant to the Buy Back offer;
 - all the legal requirements connected with the said Buy Back offer including SEBI (Buy Back of Securities) Regulations, 1998, as amended, have been duly complied with;
 - the disclosures in the Public Announcement and Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the Company to make a well-informed decision in respect of the captioned Buy Back offer;
 - funds used for Buy Back shall be as per the provisions of the Companies Act, 2013, as amended.”
- 3.3 The filing of offer document with SEBI, does not, however, absolve the Company from any liabilities under the provisions of the Companies Act or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buy Back.

- 3.4 Promoters/Directors declare and confirm that no information/material likely to have a bearing on the decision of investors has been suppressed/withheld and/or incorporated in the manner that would amount to mis-statement/mis-representation and in the event of it transpiring at any point of time that any information/material has been suppressed/withheld and/or amounts to a mis-statement/mis-representation, the Promoters/Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the SEBI (Buy Back of Securities) Regulations, 1998, as amended.
- 3.5 Promoters/Directors also declare and confirm that funds borrowed from banks and financial institutions will not be used for the Buy Back.

4. TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING

“RESOLVED THAT pursuant to the provisions of Article 83 of the Articles of Association of the Company and the provisions of Sections 68, 69 and 70 and other applicable provisions, if any, of the Companies Act, 2013, (as amended) (the “Act”), The Companies (Share Capital and Debentures) Rules, 2014 (as amended) to the extent applicable, and in compliance with Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (as amended) (the “Buy Back Regulations”), including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force, and subject to approvals, permissions and sanctions as may be necessary from regulatory authorities as required under applicable laws, including but not limited to Securities and Exchange Board of India (“SEBI”) and BSE Limited (“BSE”) where the shares of the Company are listed, the Board of Directors of the Company (hereinafter referred to as the “Board”, which expression shall include the Committee of Directors empowered by the Board to exercise its powers, including the powers conferred by this resolution) hereby approve to buy-back up to 2,00,000 fully paid up ordinary shares of the Company having a face value of ₹ 10 each from the existing shareholders who hold fully paid up ordinary shares as on record date June 16, 2017 on a proportionate basis through the “tender offer” route as prescribed under the Buy Back Regulations, representing 4.43 % of the present total number of fully paid up ordinary share capital of the Company as on March 31, 2017 at a price of ₹ 1,500 (Rupees One Thousand Five Hundred Only) per ordinary share (“Buy Back Price”) payable in cash for an aggregate amount of up to ₹ 30,00,00,000 (Rupees Thirty Crores Only) (excluding Company’s transaction cost such as brokerage, securities transaction tax, stamp duty and taxes etc.), such that the aggregate consideration for the ordinary shares bought back does not exceed 10% of the paid up ordinary share capital and free reserves of the Company as per latest audited standalone balance sheet as on March 31, 2017 (“Buy Back”).

FURTHER RESOLVED THAT all the shareholders of the Company who hold ordinary shares as on record date will be eligible to participate in the Buy Back including promoters, promoter group and persons in control of the Company who hold ordinary shares of the Company as on that date.

FURTHER RESOLVED THAT the Buy Back of ordinary shares from Non-Resident Shareholders, Overseas Corporate Bodies, Shareholders of foreign nationality etc. shall be subject to such approval of the Reserve Bank of India, if any, as may be required under the Foreign Exchange Management Act, 1999.

FURTHER RESOLVED THAT the Buy Back shall have reservation for small shareholders in accordance with the provisions of the Buy Back Regulations.

FURTHER RESOLVED THAT the Company shall implement the Buy Back using the “Mechanism for acquisition of shares through Stock Exchanges” notified by SEBI vide circular number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with circular number CFD/DCR2/CIR/P/2016/131 dated December 9, 2016.

FURTHER RESOLVED THAT the Buy Back would be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (the “Listing Regulations”) and in the event, after the completion of the Buy Back, the non-promoter shareholding of the Company fall below the minimum level required as per Listing Regulations, the Company shall bring the public shareholding to twenty five per cent within a maximum period of twelve months from the date of completion of the Buy Back in the manner specified by SEBI from time to time.

FURTHER RESOLVED THAT the amount required by the Company for the Buy Back is intended to be met out of accumulated internal accruals as may be permitted by law through ‘Tender Offer’ route and as required by the Buyback Regulations and the Companies Act and on such terms and conditions as the Board may decide from time to time. The Buy Back would be made out of free reserves including the securities premium account of the Company or such other means as may be permissible.

FURTHER RESOLVED THAT in terms of Regulation 19(3) of the Buy Back Regulations, Shri Aditya Banerjee, Company Secretary and Compliance Officer, be and is hereby appointed as the Compliance Officer for the Buy Back.

FURTHER RESOLVED THAT the draft of the Declaration of Solvency prepared in the prescribed form and supporting affidavit and other documents, placed before the meeting be and are hereby approved and Shri H.V. Kanoria, Chairman and Managing Director, and Shri N.K. Kejriwal, Wholetime Director, be and they are hereby authorized to sign the same, for and on behalf of the Board and file the same with the Registrar of Companies, West Bengal and the Securities and Exchange Board of India in accordance with applicable law.

FURTHER RESOLVED THAT the Company has complied and shall continue to comply with, Section 70 of the Companies Act, 2013 wherein:

- a) It shall not directly or indirectly purchase its own shares:
 - i. through any subsidiary company including its own subsidiary companies; or
 - ii. through any investment company or group of investment companies; or
- b) There are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company, in the last three years.
- c) The Company is in compliance with the provisions of Sections 92, 123, 127 and 129 of the Companies Act, 2013.

FURTHER RESOLVED THAT as required by Clause (x) of Part A of Schedule II under the Regulation 5(1) of the Buy Back Regulations, the Board hereby confirms that it has made full enquiry into the affairs and prospects of the Company and has formed the opinion:

- a) that immediately following the date of the meeting of the Board of Directors held on May 24, 2017, there will be no grounds on which the Company could be found unable to pay its debts;
- b) as regards the Company's prospects for the year immediately following the date of the Board Meeting, approving the Buy Back, having regard to the Board's intention with respect to the management of Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting approving the Buy Back;
- c) in forming the opinion as aforesaid, the Board of directors have taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act (including prospective and contingent liabilities).

FURTHER RESOLVED THAT the Board hereby confirms that:

- i. the Company has not undertaken a Buy Back of any of its securities during the period of one year immediately preceding the date of this Board meeting;
- ii. the Company shall not issue any ordinary shares or specified securities including by way of bonus till the date of closure of the Buy Back;
- iii. the Company shall not raise further capital for a period of one year from the closure of the Buy Back;
- iv. the Company shall not Buy Back locked-in ordinary shares and non-transferable ordinary shares till the pendency of the lock-in or till the ordinary shares become transferable;
- v. the Company shall not Buy Back its ordinary shares from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buy Back;
- vi. there are no defaults subsisting in the repayment of any term loans to any financial institution or banks;
- vii. the aggregate amount of the Buy Back i.e. ₹ 30,00,00,000 (Rupees Thirty Crores Only) does not exceed 10% of the total paid-up ordinary share capital and free reserves of the Company as on March 31, 2017;
- viii. the Company shall not make any offer of Buy Back within a period of one year reckoned from the date of closure of the Buy Back;
- ix. there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date; and

- x. the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up ordinary share capital and free reserves after the Buy Back.

FURTHER RESOLVED THAT consent of the Board be and is hereby accorded to the appointment of:

- 1) VC Corporates Advisors Private Limited as the Manager to the Buy Back;
- 2) Eureka Stock & Share Broking Services Ltd as the Broker to the Buy Back;
- 3) Maheshwari Datamatics Private Limited, Registrar and Transfer Agent, as the Registrar to the Buy Back Offer and as Investor Service Centre.
- 4) HDFC Bank Limited, acting through its branch in Kolkata, as the Escrow Agent to enter into ESCROW agreement along with VC Corporates Advisors Private Limited as required under the Buy Back Regulations.

FURTHER RESOLVED THAT Shri H. V. Kanoria, Managing Director, Shri N. K. Kejriwal, Wholetime Director, Shri D. K. Mohta, President (Corporate Affairs), Shri M. K. Patni, Chief Financial Officer and Shri Aditya Banerjee, Company Secretary be and they are hereby severally authorised to do all such acts, deeds and things as may be necessary, expedient or proper with regard to the implementation of the Buy Back, including:

- 1) To negotiate, sign, execute the necessary applications, documents, forms and instruments and issue the appointment letter of Merchant Bankers, Brokers, Registrars, Advertising Agency, Advisors, Consultants or Representatives;
- 2) To open and operate an Escrow account and to execute the ESCROW agreement and deposit therein the Escrow Amount as per the provisions of Buy Back Regulations;
- 3) To initiate all necessary actions for preparation and issue of Public Notice and Public Announcement, Letter of Offer and Letter of Offer;
- 4) To file Public Notice and Public Announcement, Certificates for Declaration of Solvency with SEBI/BSE and other appropriate authorities and filing of Certificate of extinguishment of ordinary shares and physical destruction of share certificates and all other documents required to be filed in connection with the Buy Back with the appropriate authorities;
- 5) To make all applications to the appropriate authorities for their requisite approvals;
- 6) To open, operate and close all necessary accounts such as Broking Account, Escrow Account, Depository Account;
- 7) To settle all such questions, difficulties or doubts that may arise in relation to the implementation of the Buy Back;
- 8) To do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, usual or proper; and
- 9) To delegate all or any of the authorities conferred as above to any Officer(s)/Authorised Representative(s) of the Company to give effect to the aforesaid resolution or to accept any change(s) or modification(s) as may be suggested by the appropriate Authorities or Advisors.

FURTHER RESOLVED THAT the Committee of Directors be and they are hereby authorised, for the purposes of the Buy Back, to do all such acts, deeds, matters and things, and to give such directions, as it may, in its absolute discretion, deem necessary, expedient, usual or proper, and to settle any question, difficulty or doubt, that may arise in this regard, in the best interest of the Company and its shareholders in connection with the Buy Back.

FURTHER RESOLVED THAT copy of the foregoing resolution be forwarded to concerned authorities duly certified by the Company Secretary.”

5. DETAILS OF PUBLIC ANNOUNCEMENT

- 5.1 In accordance with Regulation 8(1) of the Buy Back Regulations, the Company has made the Public Announcement dated May 25, 2017, which was published in the following newspapers on May 26, 2017:

Publication	Language	Edition
Business Standard	English	All editions
Business Standard	Hindi	All editions
Aajkaal	Regional (Bengali)	Kolkata edition

5.2 The Public Announcement was issued within 2 (two) Working Days from the date of passing the resolution by the Board of Directors approving the Buy Back on May 24, 2017.

5.3 A copy of the Public Announcement is available on the SEBI website at www.sebi.gov.in.

6. DETAILS OF THE BUY BACK

6.1 The Buy Back has been authorized by a resolution of the Board of Directors on May 24, 2017. The details of the Buy Back are set out below:

Name of the Company	Cheviot Company Limited
Maximum number of shares proposed to be bought back	The Company approved Buy Back of up to 2,00,000 (Two Lakhs) Ordinary Shares of face value of ₹ 10 each of the Company.
Number of Shares to be bought back as a percentage of existing paid-up capital of the Company	The Shares to be bought back pursuant to the Buy Back represents 4.43% of the total number of ordinary shares in the total paid up ordinary share capital of the Company as on March 31, 2017.
The price at which the shares are to be bought back	The Shares of the Company are proposed to be bought back at a price of ₹ 1,500 (Rupees One Thousand Five Hundred Only) per share.
The Regulations of SEBI/ provisions of the Companies Act in accordance with which the Buy Back offer is made	The Buy Back is being undertaken in terms of Chapter III of the Buy Back Regulations through tender offer route and in accordance with other applicable provisions of the Buy Back Regulations, the SEBI Circulars, LODR Regulations and Sections 68, 69, 70 and other applicable provisions, if any, of the Act, and the relevant rules framed thereunder, including the Share Capital Rules, to the extent applicable.
The methodology to be adopted for the Buy Back	The Buy Back shall be on a proportionate basis through the "Tender Offer" route, as prescribed under the Buy Back Regulations, to the extent permissible, and the "Mechanism for acquisition of shares through Stock Exchanges" as prescribed under the SEBI Circulars.
The maximum amount to be expensed towards Buy Back and its percentage w.r.t. the fully paid-up share capital and free reserves of the Company	The maximum amount required for Buy Back will not exceed ₹ 30,00,00,000 (Rupees Thirty Crores Only) excluding Company's transaction cost such as brokerage, securities transaction tax, stamp duty and taxes etc. The said amount works out to 8.45% of the aggregate of the fully paid-up share capital and free reserves as per the standalone audited financial statements of the Company as on March 31, 2017 which is within the prescribed limit of 10%.
The details of the shareholding of the promoters and its percentage w.r.t. the total paid up Capital of the company	For details, please refer to Paragraph 13 (Capital Structure and Shareholding Pattern) of the Letter of Offer.
Intention of the promoters to participate in the offer	The Promoters have expressed their intention to participate in the Buy Back. For details, please refer to Paragraph 9 (Management discussion and analysis of the likely impact of Buy Back on the Company) of the Letter of Offer.
Promoters shareholding after the Buy Back	For details, please refer to Paragraph 13 (Capital Structure and Shareholding Pattern) of the Letter of Offer.

6.2 Pursuant to the proposed Buy Back and depending on the response to the Buy Back, the shareholding of Promoter and Promoter Group in the Company would change from the existing 74.9972% holding, as on date of Letter of offer, in the total share capital and voting rights of the Company. The Promoter and Promoter Group of the Company are already in control over the Company and therefore such change in voting rights of the Promoter and Promoter Group will not result in any change in control over the Company. In the event, after the completion of the Buy Back, the non-promoter shareholding of the Company fall below the minimum level required as per the LODR Regulations, the Company confirm to bring the public shareholding to twenty five per cent within a maximum period of twelve months from the date of completion of the Buy Back in the manner specified by SEBI from time to time.

7. AUTHORITY FOR THE BUY BACK

7.1 The Buy Back is in accordance with Article 83 of the Articles of Association of the Company, the provisions of Sections 68, 69 and 70 and all other applicable provisions, if any, of the Companies Act, as amended, the relevant Rules framed thereunder and the provisions of the Buy Back Regulations. The Buy Back is subject to approvals, permissions and sanctions as may be necessary from regulatory authorities as required under applicable laws, including but not limited to SEBI and BSE, where the ordinary shares of the Company are listed.

- 7.2 The Buy Back would be facilitated by tendering of Ordinary Shares by eligible shareholders and settlement of the same through the stock exchange mechanism in accordance with SEBI circular number CIR/ CFD/POLICYCELL/1/2015 dated April 13, 2015, read with SEBI circular number CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as may be amended from time to time, which prescribes mechanism for tendering and settlement of shares through stock exchange. For the purpose of this Buy Back, BSE would be the Designated Stock Exchange.
- 7.3 The Board of Directors at their meeting held on May 24, 2017, passed a resolution approving Buy Back of up to 2,00,000 Ordinary Shares of the Company.

8. NECESSITY OF THE BUY BACK

- 8.1 Share Buy Back is the acquisition by a Company of its own shares. The objective is to return surplus cash to the shareholders of the Company. The Board at its meeting held on May 24, 2017, considered the free reserves as well as the cash liquidity reflected in the standalone audited financial statements as on March 31, 2017 and decided to allocate a sum of ₹ 30,00,00,000 (Rupees Thirty Crores Only) excluding Company's transaction costs such as brokerage, securities transaction tax, stamp duty and taxes etc. for distributing to the eligible shareholders who participate in the Buy Back.
- 8.2 After considering several factors and benefits, the Board decided to recommend Buy Back of ordinary shares from the shareholders holding ordinary shares of the Company, inter-alia, for the following reasons:
- The Buy Back will help the Company to return surplus cash to its shareholders holding ordinary shares broadly in proportion to their shareholding, thereby, enhancing the overall return to shareholders;
 - the Buy Back would help in improving return on equity by reduction in the share capital base and increasing shareholder value in the longer term;
 - The Buy Back gives an option to the shareholders holding ordinary shares of the Company, who can choose to participate and get cash in lieu of shares to be accepted under the Buy Back offer or they may choose not to participate and be benefited of a resultant increase in their percentage shareholding, post the Buy Back offer, without additional investment;
 - Optimizes the capital structure.

9. MANAGEMENT DISCUSSIONS AND ANALYSIS OF THE LIKELY IMPACT OF BUY BACK ON THE COMPANY

- 9.1 We believe that the Buy Back is not likely to cause any material impact on the profitability or earnings of the Company except to the extent of reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. Assuming full response to the Buy Back, the funds deployed by the Company towards the Buy Back would not exceed ₹ 30,00,00,000 (Rupees Thirty Crores only), excluding Company's transaction cost such as brokerage, securities transaction tax, stamp duty and taxes etc.
- 9.2 In terms of the Buy Back Regulations, under the Tender Offer, the Promoter and Promoter Group, being in control of the Company, have an option to participate in the Buy Back. In this regard, the Promoters have expressed their intention vide their letters dated May 24, 2017 to participate in the Buy Back Offer and tender ordinary shares in the following manner:

Sl. No.	Name of shareholders belonging to promoter and promoter group	Number of ordinary shares held	Maximum number of ordinary shares which may be tendered
1	Mr. Harsh Vardhan Kanoria	3,43,840	3,43,840
2	Mrs. Malati Kanoria	2,85,150	2,85,150
3	Mr. Utkarsh Kanoria	1,70,191	1,70,191
4	Harsh Investments Private Limited	25,74,081	1,05,784
5	Abhyadoot Finance and Investments Private Limited	9,000	369
6	Cheviot International Limited	150	11
7	Cheviot Agro Industries Private Limited	900	36

9.3 The details of date and price of acquisition of the Ordinary shares that the Promoters intend to tender are stated below:

MR. HARSH VARDHAN KANORIA

Date of transaction	Nature of transaction	Face Value per share (₹)	No. of Ordinary shares	Consideration (In ₹)
Balance as on 1st April, 2005			1,73,202	-
23.09.2006	Bonus Issue	10	86,601	-
15.12.2009	Market Purchase	10	1,720	395,155.38
16.12.2009	Market Purchase	10	4,308	1,012,553.28
17.12.2009	Market Purchase	10	11,134	2,814,745.83
18.12.2009	Market Purchase	10	6,341	1,649,417.83
21.12.2009	Market Purchase	10	2,625	689,968.34
22.12.2009	Market Purchase	10	1,031	268,696.25
23.12.2009	Market Purchase	10	4,617	1,202,967.08
24.12.2009	Market Purchase	10	1,370	357,086.66
29.12.2009	Market Purchase	10	1,050	273,679.90
30.12.2009	Market Purchase	10	285	74,285.39
05.01.2010	Market Purchase	10	930	242,402.38
26.07.2010	Market Purchase	10	8,289	2,565,633.94
27.07.2010	Market Purchase	10	3,958	1,249,899.79
04.08.2010	Market Purchase	10	12,122	3,897,443.92
05.08.2010	Market Purchase	10	9,257	3,115,310.94
21.09.2010	Market Purchase	10	15,000	5,962,710.77
Total			3,43,840	

MRS. MALATI KANORIA

Date of transaction	Nature of transaction	Face Value per share (₹)	No. of Ordinary shares	Consideration (In ₹)
Balance as on 1st April, 2005			1,90,100	-
23.09.2006	Bonus Issue	10	95,050	-
Total			2,85,150	

MR. UTKARSH KANORIA

Date of transaction	Nature of transaction	Face Value per share (₹)	No. of Ordinary shares	Consideration (In ₹)
Balance as on 1st April, 2005			1,13,461	-
23.09.2006	Bonus Issue	10	56,730	-
Total			1,70,191	

HARSH INVESTMENTS PRIVATE LIMITED

Date of transaction	Nature of transaction	Face Value per share (Rs.)	No. of Ordinary shares	Consideration (In ₹)
Balance as on 1st April, 2005			4,62,080	-
23.09.2006	Bonus Issue	10	2,31,040	-
12.05.2008	Scheme of Amalgamation	10	18,80,961	-
Total			25,74,081	

ABHYADOOT FINANCE AND INVESTMENTS PRIVATE LIMITED

Date of transaction	Nature of transaction	Face Value per share (₹)	No. of Ordinary shares	Consideration (In ₹)
Balance as on 1st April, 2005			6,000	-
23.09.2006	Bonus Issue	10	3,000	-
Total			9,000	

CHEVIOT INTERNATIONAL LIMITED

Date of transaction	Nature of transaction	Face Value per share (₹)	No. of Ordinary shares	Consideration (In ₹)
Balance as on 1st April, 2005			100	-
23.09.2006	Bonus Issue	10	50	-
Total			150	

CHEVIOT AGRO INDUSTRIES PRIVATE LIMITED

Date of transaction	Nature of transaction	Face Value per share (₹)	No. of Ordinary shares	Consideration (In ₹)
Balance as on 1st April, 2005			200	-
23.09.2006	Bonus Issue	10	100	-
09.09.2010	Scheme of Amalgamation	10	600	-
Total			900	

[Source: Contract Notes issued by the Broker to the promoters, submissions made by promoters under SEBI Takeover Code from time to time and Court Orders]

- 9.4 Assuming response to the Buy Back is to the extent of 100% (full acceptance) from all the Eligible Shareholders up to their entitlement, the aggregate shareholding of the Promoter and Promoter Group Companies after the completion of the Buy Back shall increase to 75.2512% of the post-Buy Back total paid-up ordinary share capital of the Company from 74.9972% of the pre-Buy Back total paid-up ordinary share capital of the Company, and the aggregate shareholding of the public in the Company shall decrease to 24.7488% of the post-Buy Back total paid-up ordinary share capital of the Company from 25.0028% of the pre-Buy Back total paid-up ordinary share capital of the Company.
- 9.5 The Buy Back shall not result in a change in control or otherwise affect the existing management structure of the Company.
- 9.6 Consequent to the Buy Back and based on the number of Ordinary Shares bought back from the Non-Resident Shareholders, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, the shareholding of each such person shall undergo a change.
- 9.7 The debt-equity ratio after the completion of the Buy Back will be within the permissible limit of 2:1 prescribed by the Act, even if the response to the Buy Back is to the extent of 100% (full acceptance).
- 9.8 The Company believes that the Buy Back will not impact the growth opportunities of the Company.
- 9.9 The Company shall not raise further capital for a period of one year from the closure of the Buy Back offer except in discharge of its subsisting obligations.
- 9.10 The Company shall not issue new shares or other specified securities including by way of bonus till the date of closure of the Buy Back.
- 9.11 The Promoters shall not deal in the Shares of the Company, including any inter se transfer of shares amongst the promoters / promoter group for the period between the date of passing of the Board Resolution and the date of the closure of the Buy Back in accordance with the Buy Back Regulations.

- 9.12 Salient financial parameters pursuant to the Buy Back based on the standalone audited financial statements of the Company for the year ended March 31, 2017 are set out below:

Parameter	Pre-Buy Back	Post-Buy Back
Net worth (₹ in lakhs) ^a	36,296.30	33,296.30
Return on net worth (%) ^b	12.55	13.68
Earnings per Share (₹) ^c	100.98	105.67
Book value per Share (₹) ^d	804.57	772.31
Price/earnings as per financial statements for the financial year ended March 31, 2017 ^e	12.22	11.68
Total debt / equity ratio ^f	0.037	0.040

Note:

Pre and post Buy Back calculations are based on standalone audited financial statements of the Company as on March 31, 2017. The post Buy Back numbers are calculated by reducing the net worth by the proposed Buy Back amount (assuming full acceptance) without factoring in any impact on the statement of profit & loss. Net worth used excludes revaluation reserves.

- a. For the above purpose, "net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited standalone balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
- b. Return on net worth is computed as profit after tax for the relevant period divided by closing net worth as at March 31, 2017.
- c. Earnings per share is calculated as profit after tax for the relevant period divided by total number of shares pre Buy Back and total number of shares post Buy Back.
- d. Book value per Share is calculated as pre Buy Back net worth divided by total number of shares pre Buy Back and post Buy Back net worth divided by total number of shares post Buy Back.
- e. Price/Earnings is calculated on the closing market price of Shares on BSE as on May 26, 2017 i.e., date of publication of Public Announcement being ₹ 1234.05 divided by Earnings per share pre and post Buy Back respectively.
- f. Total debt/equity ratio is calculated as total debt divided by net worth.

10. BASIS OF CALCULATING BUY BACK OFFER PRICE

- 10.1 The Shares of the Company are proposed to be bought back at a price of ₹ 1,500 (Rupees One Thousand Five Hundred Only) per share ("**Buy Back Offer Price**"). The Buy Back Offer Price has been arrived at after considering various factors including, but not limited to the trends in the volume weighted average prices and closing price of the Shares on the BSE where the shares of the Company are listed, the net worth of the Company, price earnings ratio, impact on other financial parameters and the possible impact of Buy Back on the earnings per share.
- 10.2 For trends in the Market price of the shares please refer to Paragraph 16.
- 10.3 Premium of 44 % to the volume weighted average market price of the Share on BSE during the three months preceding the date of intimation to the Stock Exchange for the Board Meeting to consider the proposal of the Buy Back.
- 10.4 Premium of 25 % over the closing price of the Share on BSE as on May 19, 2017, being the date on which the Company intimated BSE of the date of the Meeting of the Board of Directors wherein proposal of the Buy Back was considered. The closing market price of the Shares as on the date of intimation to the BSE for the Board Meeting for considering the Buy Back was ₹ 1,196.50 on the BSE.
- 10.5 The Buy Back Price is higher by 86% over the book value per Share as on March 31, 2017 of the Company on a standalone basis, which was ₹ 804.57 per Ordinary Share.
- 10.6 The basic EPS of the Company prior to the Buy Back for the year ending March 31, 2017 was ₹ 100.98 per Share on a standalone basis. Assuming full acceptance under the Buy Back, the EPS of the Company will be ₹ 105.67 per Share post the Buy Back, on a standalone basis. Pre and post Buy Back calculations are based on audited standalone financials of the Company as on March 31, 2017. The post Buy Back numbers are calculated by reducing the net worth by the proposed Buy Back amount (assuming full acceptance) without factoring in any impact on the statement of profit and loss.

10.7 The return on net worth of the Company on a standalone basis was 12.55% as on March 31, 2017, which will increase to 13.68% respectively post Buy Back assuming full acceptance of the Buy Back. Pre and post Buy Back calculations are based on standalone audited financial statements of the Company as on March 31, 2017. The post Buy Back numbers are calculated by reducing the net worth by the proposed Buy Back amount (assuming full acceptance) without factoring in any impact on the statement of profit and loss. Net worth excludes revaluation reserves.

11. SOURCES OF FUND FOR THE BUY BACK

11.1 Assuming full acceptance, the funds that would be employed by the Company for the purpose of the Buy Back of up to 2,00,000 (Two Lakhs) Ordinary Shares at a price of ₹ 1,500 (Rupees One Thousand Five Hundred Only) per Share would not exceed ₹ 30,00,00,000 (Rupees Thirty Crores Only) excluding Company's transaction cost such as brokerage, securities transaction tax, stamp duty and taxes etc.

11.2 The funds for the Buy Back will be sourced from internal accruals. The Company has confirmed that the funds for the Buy Back will be sourced out of the free reserves including the securities premium account or such other means as may be permissible under the Buy Back Regulations or the Act.

11.3 The Company shall transfer from its free reserves, a sum equal to the nominal value of the Shares bought back through the Buy Back to the capital redemption reserve account, and the details of such transfer shall be disclosed in its subsequent audited financial statements. The funds borrowed, if any, from banks and financial institutions will not be used for the Buy Back.

12. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT TO BE DEPOSITED THEREIN

12.1 In accordance with Regulation 10 of the Buy Back Regulations, an escrow agreement ("Escrow Agreement") was entered into amongst the Company, the Manager to the Buy Back and the Escrow Agent on May 25, 2017.

12.2 In accordance with the Buy Back Regulations and pursuant to the Escrow Agreement, the Company has opened an Escrow Account in the name and style "CCL- Buy Back Offer Escrow Account" bearing account number 57500000024981 with HDFC Bank Limited ("Escrow Agent") having its branch at Central Plaza, 2/6 Sarat Bose Road, Kolkata- 700 020. In accordance with Regulation 10 of the Buy Back Regulations, the Company has deposited a sum of ₹ 7,50,00,000/- (Rupees Seven Crores Fifty Lacs Only) in the Escrow Account. In accordance with the Buy Back Regulations, the Manager to the Buy Back is empowered to operate the Escrow Account.

12.3 Jain & Co. Chartered Accountants, (Firm Registration No. 302023E) having their office at P-21/22, Radha Bazar Street, Kolkata – 700001, West Bengal, India, Telephone: +91 (033) 2242 6541, have certified vide their certificate dated May 24, 2017 that the Company has adequate funds for the purposes of the Buy Back of up to 2,00,000 (Two Lakhs) Ordinary Shares at ₹ 1,500 (Rupees One Thousand Five Hundred Only) per Ordinary share.

12.4 Based on the aforementioned certificate, the Managers to the Buy Back confirms that it is satisfied that firm arrangements for fulfilling the obligations under the Buy Back are in place and that the Company has the ability to implement the Buy Back in accordance with the Act and the Buy Back Regulations.

13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

13.1 The present capital structure of the Company is set out below.

A	AUTHORISED SHARE CAPITAL	
	70,00,000 Ordinary Shares of face value of ₹ 10/- each	₹ 7,00,00,000
B	ISSUED, SUBSCRIBED AND PAID-UP ORDINARY SHARE CAPITAL BEFORE THE BUY BACK	
	45,11,250 Ordinary Shares of face value of ₹ 10/- each	₹ 4,51,47,500*
* Includes amount of ₹ 35,000 originally paid up on 7,000 ordinary shares forfeited by the Company		

13.2 The Company has not undertaken any Buy Back of its Shares in the last three years.

13.3 As on the date of the Public Announcement, the Company confirms that there are no partly paid-up shares or calls in arrears.

13.4 The Company confirms that it shall not issue, including through a bonus issue, Shares or any other specified securities, till the date of closure of the Buy Back offer in compliance with Regulation 19(1)(b) of the Buy Back Regulations.

13.5 As on the date of the Public Announcement, the Company does not have any convertible securities.

- 13.6 Assuming full acceptance in the Buy Back, the issued, subscribed and paid-up ordinary share capital of the Company after the completion of the Buy Back Offer would be as set out below:

ISSUED, SUBSCRIBED AND PAID-UP ORDINARY SHARE CAPITAL AFTER THE BUY BACK	
43,11,250 Ordinary Shares	₹ 4,31,47,500*
* Includes amount of ₹ 35,000 originally paid up on 7,000 ordinary shares forfeited by the Company	

- 13.7 There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Act.
- 13.8 The shareholding pattern of the Company before and after the completion of the Buy Back is set out below.

Particulars	Pre-Buy Back*		Post-Buy Back#	
	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding
Promoter and persons acting in concert (collectively “the Promoters”)	33,83,312	74.9972%	32,44,270	75.2512
Foreign Investors (including Non-Resident Indians, FIIIs and Foreign Mutual funds)	43,342	0.9608%	10,66,980	24.7488
Financial Institutions / Banks & Mutual Funds promoted by Banks / Institutions	7,700	0.1707%		
Others (Public, Public Bodies Corporate etc.)	10,76,896	23.8713%		
Total	45,11,250	100.0000%	43,11,250	100.0000%

* As on Record date i.e., June 16, 2017

Assuming full acceptance of Ordinary Shares in the Buy Back as per the Buy Back Entitlement.

- 13.9 The aggregate shareholding of the Promoters and Promoter Group Companies, Directors of the Promoter Group Companies and the Directors and Key Managerial Personnel of the Company as on date of the Public Announcement, i.e. May 25, 2017:

- 13.9.1 Aggregate shareholding of the Promoters and Promoter Group Companies as on May 25, 2017:

Sl. No.	Name	Shares held	% of the total paid up share capital
1	Mr. Harsh Vardhan Kanoria	3,43,840	7.6218
2	Mrs. Malati Kanoria	2,85,150	6.3209
3	Mr. Utkarsh Kanoria	1,70,191	3.7726
4	Harsh Investments Private Limited	25,74,081	57.0592
5	Abhyadoot Finance and Investments Private Limited	9,000	0.1995
6	Cheviot International Limited	150	0.0033
7	Cheviot Agro Industries Private Limited	900	0.0199
	Total	33,83,312	74.9972

- 13.9.2 Aggregate shareholding of the Directors of the Promoter Group Companies as on May 25, 2017:

Sl. No.	Name	Shares held	% of the total paid up share capital
1	Mr. Harsh Vardhan Kanoria, Director of Harsh Investments Private Limited, Cheviot International Limited and Cheviot Agro Industries Private Limited	3,43,840	7.6218
2	Mrs. Malati Kanoria, Director of Harsh Investments Private Limited, Cheviot International Limited and Cheviot Agro Industries Private Limited	2,85,150	6.3209
3	Mr. Utkarsh Kanoria, Director of Harsh Investments Private Limited	1,70,191	3.7726
4	Mr. Madhup Kumar Patni, Director of Cheviot Agro Industries Private Limited	10	0.0002
5	Mr. Abhishek Murarka, Director of Cheviot Agro Industries Private Limited	110	0.0024
6	Mr. Deo Kishan Mohta, Director of Cheviot International Limited	55	0.0012
	Total	7,99,356	17.7191

13.9.3 Aggregate shareholding of the Directors and Key Managerial Personnel of the Company as on May 25, 2017:

Sl. No.	Name	Shares held	% of the total paid up share capital
1	Mr. Harsh Vardhan Kanoria, Chairman and Managing Director	3,43,840	7.6218
2	Mrs. Malati Kanoria, Director	2,85,150	6.3209
3	Mr. Utkarsh Kanoria, Wholetime Director	1,70,191	3.7726
4	Mr. Nawal Kishore Kejriwal, Wholetime Director	300	0.0067
5	Mr. Madhup Kumar Patni, Chief Financial Officer	10	0.0002
6	Mr. Aditya Banerjee, Company Secretary	10	0.0002
	Total	7,99,501	17.7224

13.10 Details of transactions in shares undertaken by persons referred to in paragraph 13.9 above during the period of last six months preceding the date of the Board Meeting i.e. May 24, 2017, at which the Buy Back was approved:

Name	Date of transaction	Nature of transaction	Face Value per share (₹)	No. of Ordinary shares	Consideration (In ₹)
Mr. Abhishek Murarka, Director of Cheviot Agro Industries Private Limited	28.11.2016	Market Purchase	10	140	1,21,970.62
Mr. Deo Kishan Mohta, Director of Cheviot International Limited	29.11.2016	Market Purchase	10	40	33,697.00
Mr. Abhishek Murarka, Director of Cheviot Agro Industries Private Limited	05.04.2017	Market Sale	10	140	1,48,383.47
Mr. Abhishek Murarka, Director of Cheviot Agro Industries Private Limited	10.05.2017	Market Purchase	10	100	1,08,214.12

14. BRIEF INFORMATION ABOUT THE COMPANY

- 14.1 The Company was incorporated on 27th day of December, 1897 in the name of Delta Jute Mills Company Limited (DJML). Subsequently, the name of DJML was changed to Budge Budge Amalgamated Mills Limited (BBAML) with effect from 11th day of January, 1968. The name of BBAML was changed to Cheviot Company Limited w.e.f. 1st day of September, 1976.
- 14.2 The registered office of the Company is at 9th Floor, Magma House, 24, Park Street, Kolkata – 700016.
- 14.3 The Company manufactures jute products and jute fabrics with flexibility to cater to both domestic and international market. The Company is renowned for manufacturing superior quality technical jute fabrics and jute shopping bags for export market. The manufacturing facility of the Company is located at 19, Mehta Road, Bade Kalinagar, Budge Budge – 700137 in the state of West Bengal, India. The Company also has an Export Oriented Unit situated at Falta Special Economic Zone in the State of West Bengal, India. Cheviot Company Limited is recognized as a **TRADING HOUSE** by the Government of India.
- 14.4 Performance of the Company in brief:
- (a) The Company achieved a growth of 13.73 % in the total turnover of the Company which stood at ₹ 38,532.74 Lakhs for the year ended March 31, 2017 as against ₹ 33,880.62 Lakhs for the year ended March 31, 2016;
- (b) Further, the net profit after tax of ₹ 4,555.64 Lakhs for the year ended March 31, 2017 shows a growth of 24.90% over the net profit after tax of ₹ 3,647.47 Lakhs reported in previous year.
- 14.5 The current authorised ordinary share capital of the Company consists of 70,00,000 (Seventy lakhs) Ordinary Shares of face value of ₹ 10 each, amounting to ₹ 7,00,00,000 (Rupees Seven Crores only). The total paid-up share capital of the Company is ₹ 4,51,47,500 (includes an amount of ₹ 35,000 originally paid up on 7,000 ordinary shares forfeited by the Company) (Rupees Four Crores Fifty-One Lakhs Forty Seven Thousand Five Hundred Only) represented by 45,11,250 (Forty-Five Lakhs Eleven Thousand Two Hundred And Fifty) Ordinary Shares of face value of ₹ 10 each.

14.6 The history of the Share Capital of the Company is set out below:

Date	Nature of Transaction	Face Value (FV)	Number of shares issued	Cumulative Shares Capital	Nominal Value (₹)	Cumulative Paid-up share capital (₹)
Opening Balance as on 1-1-1995		10	10,14,500	10,14,500	1,01,45,000	1,01,45,000
24-1-1995	Public Issue	10	20,00,000	30,14,500	2,00,00,000	3,01,45,000
24-3-2004	Shares forfeited	10	(7,000)	30,07,500	(35,000)	3,01,10,000*
23-9-2006	Bonus Issue	10	15,03,750	45,11,250	1,50,37,500	4,51,47,500

* Includes amount of ₹ 35,000 originally paid up on 7000 ordinary shares forfeited by the Company.

14.7 The Company is currently listed only on BSE. The shares of the Company were listed on BSE w.e.f. 25-09-2000.

14.8 The details regarding the Board of Directors as on the date of the Public Announcement i.e. May 25, 2017:

Sr. No.	Name, Qualification, Occupation and Age	Designation	Date of Appointment / Reappointment	Other Directorships
1	Mr. Harsh Vardhan Kanoria Qualification: B. Com Occupation: Industrialist Aged 61 years	Chairman and Managing Director	28-8-1975	1. Cheviot International Ltd. 2. Harsh Investments Pvt. Ltd. 3. Elite (India) Pvt. Ltd. 4. Cheviot Agro Industries Pvt. Ltd.
2	Mrs. Malati Kanoria Qualification: B.A., Occupation: Industrialist Aged 60 years	Director	9-5-2014	1. Cheviot International Ltd. 2. Harsh Investments Pvt. Ltd. 3. Elite (India) Pvt. Ltd. 4. Cheviot Agro Industries Pvt. Ltd.
3	Mr. Nawal Kishore Kejriwal Qualification: B. Com LLB., Occupation: Service Aged 74 years	Wholetime Director	1-6-1988	1. Ginia Traders Pvt. Ltd.
4	Mr. Padam Kumar Khaitan Qualification: B. Com, Attorney-at-Law Occupation: Lawyer Aged 64 years	Independent Director	23-9-2006	1. Ramakrishna Forgings Ltd. 2. Khaitan Consultants Ltd. 3. Asian Hotels (East) Ltd. 4. McNally Sayaji Engineering Ltd. 5. GJS Hotels Ltd. 6. Auro Investments Pvt. Ltd. 7. NOTT Investments Pvt. Ltd. 8. McLeod Russel India Limited 9. Kilburn Engineering Limited 10. Magadh Sugar & Energy Limited
5	Mr. Navin Nayar Qualification: B. Com, FCA Occupation: Professional Aged 55 years	Independent Director	30-7-2001	1. OCL Investments and Leasing Ltd. 2. Cosmopolitan Investments Limited 3. Crest Holdings Pvt. Ltd. 4. Skyview Investments Pvt. Ltd. 5. Amar Vanijya Ltd. 6. Nidhi Private Ltd. 7. Kanco Tea & Industries Ltd. 8. Bengal Tea & Fabrics Ltd. 9. Duncan International (India) Ltd.

Sr. No.	Name, Qualification, Occupation and Age	Designation	Date of Appointment / Reappointment	Other Directorships
6	Mr. Parag Keshar Bhattacharya Qualification: M.A. (Gold Medalist), CAIB Occupation: Professional Aged 78 years	Independent Director	30-7-2001	1. Attivo Economic Zones Private Limited 2. Brace Iron & Steel Pvt. Ltd. 3. Odisha Slurry Pipeline Infrastructure Ltd.
7	Mr. Sushil Kumar Dhandhanian Qualification: B. Com. Occupation: Industrialist Aged 62 years	Independent Director	05-6-2003	1. R.D. Tea Ltd. 2. R.D. Fan Ltd. 3. Dhandhanian Electronics Ltd. 4. R.D. Estates & Resources Ltd. 5. R.D. Plantations Pvt. Ltd. 6. Dynaflo Pvt. Ltd. 7. Dhandhanian Brothers Pvt. Ltd. 8. Angarika Commercial Pvt. Ltd. 9. Atreyi Commodities Pvt. Ltd. 10. Binodini Commodities Pvt. Ltd. 11. Caroline Commodities Pvt. Ltd. 12. Champak Commodities Pvt. Ltd. 13. Chandika Commodities Pvt. Ltd. 14. Arpita Commodities Pvt. Ltd. 15. Annabela Commodities Pvt. Ltd. 16. Charming Commodities Pvt. Ltd.
8	Mr. Utkarsh Kanoria Qualification: Bachelor of Science Occupation: Industrialist Aged 24 years	Wholetime Director	24-5-2017	1. Harsh Investments Pvt. Ltd. 2. Indian Jute Mills Association

14.9 The following changes have taken place in the Board of Directors of the Company during the last three years:

Name of the Director	Date	Nature of change	Reasons
Mrs. Malati Kanoria	9-5-2014	Appointment	Appointed as additional director
Mr. Utkarsh Kanoria	24-5-2017	Appointment	Appointed as additional director in the capacity of Wholetime Director

14.10 The Buy Back will not result in any benefit to any Director or Promoter of the Company except to the extent of their intention to participate in the Buy Back and the change in their shareholding as per the response received in the Buy Back, as a result of the extinguishment of Shares which will lead to a reduction in the Share capital after the completion of the Buy Back.

15. FINANCIAL INFORMATION ABOUT THE COMPANY

15.1 The Company has prepared its standalone audited financial statements for the financial year ended March 31, 2017, as announced on May 24, 2017, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the guidance notes issued by the Institute of Chartered Accountants of India.

- 15.2 The salient features of the financial information of the Company as extracted from the standalone audited financial statements of the Company for the last three financial years ended March 31, 2017, March 31, 2016 and March 31, 2015 are set out below:

[In ₹ Lakhs]

Particulars	Financial Year		
	April 1, 2016 to March 31, 2017	April 1, 2015 to March 31, 2016	April 1, 2014 to March 31, 2015
Total Income	41,355.95	35,575.46	28,866.26
Total expenses (excluding interest and depreciation)	34,487.09	29,822.60	23,997.17
Interest	61.85	81.63	86.72
Depreciation	712.15	572.93	648.26
Exceptional Item	60.51	-	97.45
Profit before tax	6,155.37	5,098.30	4,231.56
Provision for tax (including deferred tax)	1,599.73	1,450.83	773.47
Profit after tax	4,555.64	3,647.47	3,458.09
Share capital	451.48	451.48	451.48
Reserves and surplus ^a	35,844.82	31,289.18	28,545.67
Net worth ^a	36,296.30	31,740.66	28,997.15
Total debt ^b	1,347.21	1,259.24	1,422.55

a Excluding revaluation reserves.

b Total Debt comprises of long term borrowings, short term borrowings and current maturities of term loan.

- 15.3 The financial ratios of the Company as extracted from the standalone audited financial statements of the Company for the last three financial years ended March 31, 2017, March 31, 2016 and March 31, 2015 is set out below:

[In ₹ Lakhs]

Particulars	Financial Year		
	April 1, 2016 to March 31, 2017	April 1, 2015 to March 31, 2016	April 1, 2014 to March 31, 2015
Earnings per share (In ₹)	100.98	80.85	76.65
Book Value per share	804.57	703.59	642.77
Return on net worth (%) ^a	12.55	11.49	11.93
Debt equity ratio ^b	0.037	0.040	0.049
Total debt / net worth ^b	0.037	0.040	0.049

Note: a. Return on net worth is computed as profit after tax for the relevant period divided by closing net worth as at the end of that financial year.

b. Excluding revaluation reserves.

- 15.4 The Company confirms that it will comply with the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 if applicable.
- 15.5 The Company confirms that it has complied with the provisions of Sections 68, 69 and 70 of the Act and all other provisions of the Act, as may be applicable to the Buy Back.

16. STOCK MARKET DATA

- 16.1 The Ordinary Shares of the Company are currently listed and traded only on the BSE.
- 16.2 The closing market price of the shares in the last three completed financial years (April to March period) preceding the date of the Public Announcement on the Stock Exchange is set out below:

Financial Year	High			Low			Average	
	High (₹)	Date of High	No. of shares traded	Low (₹)	Date of Low	No. of shares traded	Average (₹)	No. of shares traded
2016-2017	1,141.00	29-09-2016	1,15,099	645.10	24-06-2016	7,370	896.13	10,24,057
2015-2016	1,070.00	10-12-2015	69,768	337.60	01-04-2015	941	678.76	29,83,473
2014-2015	406.90	08-07-2014	9,310	293.60	17-12-2014	9,333	350.75	6,84,858

- 16.3 The monthly closing market prices during the six months preceding the date of the Public Announcement and number of shares traded on the Stock Exchanges is set out below:

Month	High			Low			Average	
	High (₹)	Date of High	No. of shares traded	Low (₹)	Date of Low	No. of shares traded	Average (₹)	No. of shares traded
Nov-16	1,049.00	8-11-2016	6,135	789.90	22-11-2016	1,432	920.84	99,709
Dec-16	938.00	07-12-2016	732	865.00	26-12-2016	1,016	897.48	22,707
Jan-17	1,051.40	06-01-2017	53,831	880.00	04-01-2017	1,774	985.56	1,11,698
Feb-17	1,015.00	06-02-2017	2,337	956.50	16-02-2017	1,091	987.29	45,615
Mar-17	1,080.00	30-03-2017	6,960	940.00	08-03-2017	1,156	997.70	67,850
Apr-17	1,149.00	12-04-2017	35,686	1,035.00	11-04-2017	2,936	1,098.55	1,02,758
May-17*	1,229.00	19-05-2017	21,288	1,070.00	09-05-2017	1,487	1,153.91	1,14,851

*Up to the date of Board Meeting i.e. May 24, 2017

(Source : www.bseindia.com)

- 16.4 Notice of the Board Meeting convened to consider the proposal of the Buy Back was given to BSE on May 19, 2017. The Board, at its meeting held on May 24, 2017, approved the proposal for the Buy Back at a price of ₹ 1,500 (Rupees One Thousand Five Hundred Only) per Share and the intimation was sent to BSE on the same day. The closing market price of the Shares on BSE, during this period, are summarised below.

Event	Date	Share Price at BSE			
		Open (₹)	High (₹)	Low (₹)	Close (₹)
Notice of the Board Meeting convened to consider the proposal of the Buy Back	May 19, 2017	1,200.00	1,229.00	1,171.00	1,196.50
1 Trading Day Post-Notice of Board Meeting	May 22, 2017	1,200.00	1,228.70	1,175.15	1,179.25
1 Trading Day Prior to Board Meeting	May 23, 2017	1,156.00	1,160.10	1,107.00	1,132.30
Board Meeting Date	May 24, 2017	1,157.50	1,220.00	1,100.00	1,189.70
1 Trading Day Post-Board Meeting	May 25, 2017	1,210.00	1,229.90	1,182.00	1,194.80

17. DETAILS OF THE STATUTORY APPROVALS

- 17.1 The Buy Back Offer is subject to approval, if any required under the provisions of the Act, the Buy Back Regulations and/or such other applicable rules and regulations for the time being in force.
- 17.2 The Buy Back of Shares from Non-Resident Shareholders will be subject to approvals, if any, of the appropriate authorities, including RBI, as may be required. The Company will have the right to make payment to the Eligible Shareholders in respect of whom no prior RBI approval is required and not accept Shares from the Eligible Shareholders in respect of whom prior RBI approval is required in the event copies of such approvals are not submitted.
- 17.3 As on date, there is no other statutory or regulatory approval required to implement the Buy Back Offer, other than that indicated above. If any statutory or regulatory approval becomes applicable subsequently, the Buy Back will be subject to such statutory or regulatory approval(s). In the event of any delay in receipt of any statutory / regulatory approval, changes to the proposed schedule of activities of the Buy Back Offer, if any, shall be intimated to BSE.

18. THE DETAILS OF THE REGISTRAR TO THE BUY BACK AND COLLECTION CENTRES

- 18.1 Eligible Shareholders holding shares in physical form, who wish to tender their Shares in the Buy Back can send either themselves or through Seller Member by registered post or courier or hand deliver the Tender Form, TRS generated by the exchange bidding system upon placing of Bid along with all relevant documents by superscribing the envelope as "Cheviot Company Limited Buy Back Offer 2017", to the Registrar to the Buy Back at their office address as set out below, so that the same are received not later than 2 (two) days from the closure of the Tender period i.e. Wednesday, September 06, 2017 (by 5 p.m.):

MAHESHWARI DATAMATICS PRIVATE LIMITED

23, R.N. Mukherjee Road, (5th Floor), Kolkata – 700 001

Tel.: +91 33 2243 5029 / 5809; Fax: +91 33 2248 4787

Contact Person: Mr. S. Rajagopal, Vice President

Email: mdpldc@yahoo.com; Website: www.mdpl.in

In case of any query, the shareholders may contact the Registrar on any day except holidays between 10.00 a.m. and 5.00 p.m.

18.2 ELIGIBLE SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGER TO THE BUY BACK.

19. PROCESS AND METHODOLOGY FOR THE BUY BACK

19.1 The Company proposes to Buy Back up to 2,00,000 (Two Lakhs) Ordinary Shares representing 4.43% of the total number of ordinary shares in the total paid-up ordinary share capital of the Company as per the standalone audited financial statements of the Company as on March 31, 2017, at a price of ₹ 1,500 (Rupees One Thousand Five Hundred Only) per Share payable in cash for an aggregate consideration not exceeding ₹ 30,00,00,000 (Rupees Thirty Crores Only) excluding Company's transaction costs such as brokerage, securities transaction tax, stamp duty and taxes etc. constituting 8.45 % of the total paid-up share capital and free reserves of the Company as on March 31, 2017 (the last standalone audited financial statements available as on the date of Board Meeting recommending the proposal of the Buy Back), from the Eligible Shareholders on a proportionate basis through the Tender Offer route, in accordance with Article 83 of the Articles of Association of the Company, the provisions of Sections 68, 69 and 70 and all other applicable provisions, if any, of the Act, the relevant rules framed thereunder including the Share Capital Rules, to the extent applicable, and the Buy Back Regulations. The Buy Back is subject to the receipt of approvals, permissions and sanctions as may be required, including but not limited to SEBI and BSE, where the ordinary shares of the Company are listed.

19.2 The Company expresses no opinion as to whether Eligible Shareholders should participate in the Buy Back and, accordingly, Eligible Shareholders are advised to consult their own advisors to consider participation in the Buy Back.

19.3 The shareholding of the Promoter and Promoter Group as of the date of the Public Announcement is 33,83,312 (Thirty-Three Lakhs Eighty-Three Thousand Three Hundred and Twelve only) Ordinary Shares which represents 74.9972% of the existing total paid-up share capital of the Company. In terms of the Buy Back Regulations, under the Tender Offer, the Promoter and Promoter Group, being in control of the Company, have an option to participate in the Buy Back. In this regard, the Promoter and Promoter Group have expressed their intention vide their letters dated May 24, 2017 to participate in the Buy Back Offer and may tender up to an aggregate maximum of 9,05,381 Ordinary Shares or such lower number of Shares in accordance with the provisions of the Buy Back Regulations.

19.4 Assuming acceptance of all Shares tendered in the Buy Back from the Eligible Shareholders up to their respective Buy Back Entitlement, the shareholding of the Promoter and Promoter Group after the completion of the Buy Back will increase to 75.2512% of the post-Buy Back total paid-up ordinary share capital of the Company. Also, if none of the public shareholders participate and only the Promoter and Promoter Group participates in the Buy Back Offer, the Promoter and Promoter Group shareholding will reduce to 73.8373% of the total paid up ordinary share capital of the Company.

Record Date and Ratio of Buy Back as per the Buy Back Entitlement in each Category:

19.5 The Company has fixed June 16, 2017 as the Record Date for the purpose of determining the Buy Back Entitlement and the names of the Shareholders, who are eligible to participate in the Buy Back.

19.6 The Shares to be bought back pursuant to the Buy Back are divided into 2 (two) categories:

19.6.1 Reserved category for Small Shareholders ("Reserved Category"); and

19.6.2 General category for all other Eligible Shareholders ("General Category").

19.7 As defined in the Buy Back Regulations, a "Small Shareholder" is an Eligible Shareholder who holds Shares having market value, on the basis of closing price on BSE, of not more than ₹ 2,00,000 (Rupees Two Lakhs Only). As on the Record Date the closing price on BSE was ₹1333 per Share. Accordingly all Eligible Shareholders holding not more than 150 Shares as on the Record Date are classified as 'Small Shareholders' for the purpose of the Buy Back.

19.8 Based on the aforementioned definition, there are 7066 Small Shareholders of the Company with an aggregate shareholding of 3,76,787 Shares as on the Record Date, which constitutes 8.3522% of the total paid-up share capital of the Company and 188.39% of the maximum number of Shares which are proposed to be bought back as part of this Buy Back.

- 19.9 In accordance with Regulation 6 of the Buy Back Regulations, the reservation for the Small Shareholders will be the higher of:
- 19.9.1 15% of the number of Shares which the Company proposes to Buy Back i.e. 15% of 2,00,000 (Two Lakhs) Shares which is 30,000 (Thirty Thousand) Shares; or
- 19.9.2 The number of Shares entitled as per their shareholding as on the Record Date (i.e. $(3,76,787 / 45,11,250) \times 2,00,000$) which is 16,704 Shares.
- 19.10 All the outstanding Shares have been used for computing the Buy Back Entitlement of Small Shareholders since the Promoter and Promoter Group also intend to participate in the Buy Back.
- 19.11 Based on the above analysis and in accordance with Regulation 6 of the Buy Back Regulations, 30,000 Shares have been reserved for the Small Shareholders (“Reserved Portion”) and accordingly, the General Category for all other Eligible Shareholders shall consist of 1,70,000 Shares (“General Portion”).
- 19.12 Based on the above Buy Back Entitlements, the ratio of Buy Back for both categories is set out below:

Category of Eligible Shareholder	Ratio of Buy Back (i.e. Buy Back Entitlement)
Reserved category for Small Shareholders	[9] Shares for every [113] Shares held as on the Record Date
General category for all other Eligible Shareholders	[9] Shares for every [219] Shares held as on the Record Date

Fractional Entitlements

- 19.13 If the Buy Back Entitlement under the Buy Back, after applying the above mentioned ratios to the Shares held on Record Date is not in the multiple of one Share, then the fractional entitlement shall be ignored for computation of Buy Back Entitlement to tender Shares in the Buy Back for both categories of Eligible Shareholders.
- 19.14 On account of ignoring the fractional entitlement, those Small Shareholders who hold 12 or less Shares as on Record Date will be dispatched a Tender Form with zero entitlement. Such Small Shareholders may tender Additional Shares as part of the Buy Back and will be given preference in the Acceptance of one Share, if such Small Shareholders have tendered Additional Shares.

Basis of Acceptance of Shares validly tendered in the Reserved Category for Small Shareholders

- 19.15 Subject to the provisions contained in the Letter of Offer, the Company will accept the Shares tendered in the Buy Back by the Small Shareholders in the Reserved Category in the following order of priority:
- 19.15.1 Acceptance of 100% Shares from Small Shareholders in the Reserved Category, who have validly tendered their Shares to the extent of their Buy Back Entitlement or the number of Shares tendered by them, whichever is less.
- 19.15.2 After the acceptance as described in Paragraph 19.15.1 above, in case there are any Shares left to be bought back from Small Shareholders in the Reserved Category, the Small Shareholders who were entitled to tender zero Share (on account of fractional entitlement), and have tendered Additional Shares as part of the Buy Back, shall be given preference and one Share each from such Additional Shares shall be bought back in the Reserved Category.
- 19.15.3 After the acceptance as described in Paragraph 19.15.2 above, in case there are any Shares left to be bought back in the Reserved Category, the Additional Shares tendered by the Small Shareholders over and above their Buy Back Entitlement, shall be accepted in proportion of the Additional Shares tendered by them and the Acceptance per Small Shareholder shall be made in accordance with the Buy Back Regulations. Valid Acceptances per Small Shareholder shall be equal to the Additional Shares validly tendered by the Small Shareholder divided by the total Additional Shares validly tendered and multiplied by the total pending number of Shares to be accepted in Reserved Category. For the purpose of this calculation, the Additional Shares taken into account for such Small Shareholders, from whom one Share has been accepted in accordance with the Paragraph 19.15.2, shall be reduced by one.

Adjustment for fractional results in case of proportionate Acceptance, as described above:

- 19.16 For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not a multiple of one and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
- 19.17 For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of one and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

Basis of Acceptance of Shares validly tendered in the General Category

- 19.18 Subject to the provisions contained in the Letter of Offer, the Company will accept the Shares tendered in the Buy Back by all other Eligible Shareholders in the General Category in the following order of priority:

- 19.18.1 Acceptance of 100% Shares from other Eligible Shareholders in the General Category who have validly tendered their Shares, to the extent of their Buy Back Entitlement, or the number of Shares tendered by them, whichever is less.
- 19.18.2 After the Acceptance as described in Paragraph 19.18.1 above, in case there are any Shares left to be bought back in the General Category, the Additional Shares tendered by the other Eligible Shareholders over and above their Buy Back Entitlement shall be accepted in proportion of the Additional Shares tendered by them and the acceptances per shareholder shall be made in accordance with the Buy Back Regulations, i.e. valid acceptances per shareholder shall be equal to the Additional Shares validly tendered by the Eligible Shareholders divided by the total Additional Shares validly tendered in the General Category and multiplied by the total pending number of Shares to be Accepted in General Category.

Adjustment for fractional results in case of proportionate acceptance as described above:

- 19.19 For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of one and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
- 19.20 For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of one and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

Basis of Acceptance of Shares between categories

- 19.21 In the event the Shares tendered by the Small Shareholders in accordance with the process set out under Paragraph 19.15 (*Basis of Acceptance of Shares validly tendered in the Reserved Category*) of the Letter of Offer is less than the Reserved Portion, Additional Shares tendered by the Eligible Shareholders in the General Category over and above their Buy Back Entitlement shall be accepted in proportion of the Additional Shares tendered by them in accordance with the Buy Back Regulations, i.e. valid acceptances per shareholder shall be equal to the Additional Shares validly tendered by an Eligible Shareholder in the General Category divided by the total Additional Shares validly tendered in the General Category and multiplied by the Additional Shares that can be accepted due to shortfall in the Reserved Portion.
- 19.22 In the event the Shares tendered by the Eligible Shareholders in the General Category in accordance with the process set out under Paragraph 19.18 (*Basis of Acceptance of Shares validly tendered in the General Category*) of the Letter of Offer is less than the General Portion, Additional Shares tendered by the Eligible Shareholders in the Reserved Category over and above their Buy Back Entitlement shall be Accepted in proportion of the Additional Shares tendered by them, in accordance with the Buy Back Regulations, i.e. valid acceptances per shareholder shall be equal to the Additional Shares validly tendered by an Eligible Shareholder in the Reserved Category divided by the total Additional Shares validly tendered in the Reserved Category and multiplied by the Additional Shares that can be accepted due to shortfall in the General Portion.
- 19.23 A Small Shareholder who has received a Tender Form with zero Buy Back Entitlement and who has tendered Additional Shares shall be eligible for priority Acceptance of one Share before Acceptance, as mentioned above, out of the Shares left to be bought back in the General Category, provided no Acceptance could take place from such Small Shareholder in accordance with the section entitled "Basis of Acceptance of Shares validly tendered in the Reserved Category for Small Shareholders".

Adjustment for fractional results in case of proportionate Acceptance, as described above:

- 19.24 For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not a multiple of one and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
- 19.25 For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of one and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.
- 19.26 In case of any practical issues, resulting out of rounding-off of Shares or otherwise, the Board (which includes Committee thereof) or any person(s) authorised by the Board will have the authority to decide such final allocation with respect to such rounding-off or any excess of Shares or any shortage of Shares after allocation of Shares as set out in the process described in paragraphs above.

Miscellaneous

- 19.27 For avoidance of doubt, it is clarified that:
- 19.27.1 The Shares Accepted under the Buy Back from each Eligible Shareholder, in accordance with the paragraphs above, shall not exceed the number of Shares tendered by the respective Eligible Shareholder;
- 19.27.2 The Shares Accepted under the Buy Back from each Eligible Shareholder, in accordance with the paragraphs above, shall not exceed the number of Shares held by respective Eligible Shareholder as on the Record Date; and
- 19.27.3 The Shares tendered by any Eligible Shareholder over and above the number of Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance in accordance with the paragraphs above.

20. PROCEDURE FOR TENDER / OFFER AND SETTLEMENT

20.1 The Buy Back is open to all Eligible Shareholders holding Shares in both physical form and dematerialized form. The Company proposes to effect the Buy Back through a Tender Offer route, on a proportionate basis. The Letter of Offer and Tender Form, outlining the terms of the Buy Back as well as the detailed disclosures as specified in the Buy Back Regulations, will be mailed/dispatched to the Eligible Shareholders.

The Eligible Shareholder(s) who have registered their Email IDs with the depositories / the Company, shall be dispatched the Letter of Offer through electronic means. The Eligible Shareholder(s) who have not registered their Email IDs with the depositories / the Company, shall be dispatched the Letter of Offer through physical mode by registered post / speed post / courier. In case of non-receipt of Letter of Offer and the Tender Form, please follow the procedure as mentioned in Paragraph 20.9.

20.2 The Company will not accept any Share offered in the Buy Back which is under any restraint order of a court for transfer/sale of such Share. In accordance with Regulation 19(5) of the Buy Back Regulations, the Company shall not Buy Back locked-in Shares and non-transferable Shares until the pendency of the lock-in or until such Shares become transferable. The Company shall accept all the Shares validly tendered in the Buy Back by Eligible Shareholders, on the basis of their Buy Back Entitlement as on the Record Date.

20.3 Eligible Shareholders will have to transfer their Shares from the same demat account in which they were holding such Shares as on the Record Date, and in case of multiple demat accounts, Eligible Shareholders are required to tender the applications separately from each demat account. In case of any changes in the demat account in which the Shares were held as on Record Date, such Eligible Shareholders should provide sufficient proof of the same to the Registrar to the Buy Back and such tendered Shares may be accepted subject to appropriate verification and validation by the Registrar to the Buy Back.

20.4 As disclosed in Paragraph 19 (Process and Methodology for the Buy Back) above, the Shares proposed to be bought as a part of the Buy Back are divided into 2 (two) categories viz. (i) Reserved Category for Small Shareholders (ii) the General Category for other Eligible Shareholders and the Buy Back Entitlement of an Eligible Shareholders in each category shall be calculated accordingly.

20.5 After accepting the Shares tendered on the basis of Buy Back Entitlement, Shares left to be bought as a part of the Buy Back, if any, in one category shall first be accepted, in proportion to the Shares tendered, over and above their Buy Back Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buy Back Entitlement, in any other category.

20.6 Eligible Shareholders' participation in the Buy Back is voluntary. Eligible Shareholders may choose to participate, in part or in full, and receive cash in lieu of the Shares accepted under the Buy Back, or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, after the completion of the Buy Back, without any additional investment. Eligible Shareholders may also tender a part of their Buy Back Entitlement. Eligible Shareholders also have the option of tendering Additional Shares (over and above their Buy Back Entitlement) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any. The Acceptance of any Shares tendered in excess of the Buy Back Entitlement by the Eligible Shareholder shall be in terms of procedure outlined herein.

20.7 The maximum tender of Shares under the Buy Back by any Eligible Shareholder cannot exceed the number of Shares held by such Eligible Shareholder as on the Record Date.

20.8 The Buy Back shall be implemented using the "Mechanism for acquisition of shares through Stock Exchanges" pursuant to the SEBI Circulars, and following the procedure prescribed in the Act, the Buy Back Regulations and on such terms and conditions as may be permitted by law from time to time.

THE NON-RECEIPT OF THE LETTER OF OFFER BY, OR ACCIDENTAL OMISSION TO DISPATCH THE LETTER OF OFFER TO ANY PERSON WHO IS ELIGIBLE TO RECEIVE THE SAME TO PARTICIPATE IN THE BUY BACK, SHALL NOT INVALIDATE THE BUY BACK OFFER IN ANY WAY.

20.9 In case of non-receipt of the Letter of Offer and the Tender Form:

20.9.1 **In case the Eligible Shareholder holds Shares in dematerialized form:** If Eligible Shareholder(s) who have been sent the Letter of Offer through electronic means wish to obtain a physical copy of the Letter of Offer, they may send a request in writing to the Company or Registrar at the address or email id mentioned at the cover page of the Letter of Offer stating name, address, number of Shares held on Record Date, client ID number, DP name / ID, beneficiary account number, and upon receipt of such request, a physical copy of the Letter of Offer shall be provided to such Eligible Shareholder. An Eligible Shareholder may participate in the Buy Back by downloading the Tender Form from the website of the Registrar i.e. www.mdpl.in, or by providing his / her / its application in writing on a plain paper, signed by all Eligible Shareholders (in case of joint holding), stating name and address of the Eligible Shareholder(s), number of Shares held as on the Record Date, Client ID number, DP Name, DP ID, beneficiary account number and number of Shares tendered for the Buy Back.

- 20.9.2 **In case the Eligible Shareholder holds Shares in physical form:** An Eligible Shareholder may participate in the Buy Back by providing his / her / its application in writing on a plain paper signed by all Eligible Shareholders (in case of joint holding) stating name, address, folio number, number of Shares held, Share certificate number, number of Shares tendered for the Buy Back and the distinctive numbers thereof, enclosing the original Share certificate(s), copy of Eligible Shareholder's PAN card(s) and executed share transfer form in favour of the Company. Eligible Shareholders must ensure that the Tender Form, along with the TRS and requisite documents, reach the Registrar to the Buy Back not later than 2 (two) days from the Buy Back Closing Date i.e. Wednesday, September 06, 2017 (by 5 p.m.). If the signature(s) of the Eligible Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Company or are not in the same order (although attested), such Tender Forms are liable to be rejected under this Buy Back.
- 20.10 Please note that Eligible Shareholder(s) who intend to participate in the Buy Back will be required to approach their respective Selling Member(s) (along with the complete set of documents for verification procedures in case of Shares held in physical form) and have to ensure that their bid is entered by their respective Selling Member(s) in the electronic platform to be made available by BSE before the Buy Back Closing Date.
- 20.11 The Company shall accept Shares validly tendered by the Eligible Shareholder(s) in the Buy Back on the basis of their shareholding as on the Record Date and the Buy Back Entitlement. Eligible Shareholder(s) who intend to participate in the Buy Back using the "plain paper" option as mentioned above are advised to confirm their Buy Back Entitlement from the Registrar to the Buy Back, before participating in the Buy Back.
- 20.12 The acceptance of the Buy Back made by the Company is entirely at the discretion of the Eligible Shareholders of the Company. The Company does not accept any responsibility for the decision of any Eligible Shareholder to either participate or to not participate in the Buy Back. The Company will not be responsible in any manner for any loss of Share certificate(s) and other documents during transit and the Eligible Shareholders are advised to adequately safeguard their interest in this regard.
- 20.13 For implementation of the Buy Back, the Company has appointed Eureka Stock & Share Broking Services Limited as the registered broker of the Company to facilitate the process of tendering of Shares through the stock exchange mechanism for the Buy Back and through whom the purchases and settlements on account of the Buy Back would be made by the Company. The contact details of the Company's Brokers are as follows:
- EUREKA STOCK & SHARE BROKING SERVICES LIMITED**
1101, Merlin Infinite, 11th Floor, DN-51, Sector V, Bidhan Nagar, Kolkata 700 091
Ph: 033 66280000; Fax No: 033 22105184;
Web: www.eurekasec.com; E Mail: care@eurekasec.com
Contact Person: Mr. Vinoy Kumar Chiripal
- 20.14 BSE has been appointed as the "**Designated Stock Exchange**" to provide a separate "**Acquisition Window**" to facilitate placing of sell orders by Eligible Shareholders who wish to tender their Shares in the Buy Back. The details of the platform will be as specified by BSE, from time to time.
- 20.15 In the event Selling Member of any Eligible Shareholder is not registered with BSE trading member / stock broker, then that Eligible Shareholder can approach any BSE registered stock broker and can register himself by using quick unique client code (UCC) facility through that BSE registered stock broker (after submitting all details as may be required by such BSE registered stock broker in compliance with applicable law). In case the Eligible Shareholder is unable to register himself by using quick UCC facility through any other BSE registered stock broker, then that Eligible Shareholder may approach the Company's Broker, viz. Eureka Stock & Share Broking Services Limited, to register himself by using quick UCC facility.
- 20.16 All Eligible Shareholders, through their respective Selling Member(s) will be eligible and responsible to place orders in the Acquisition Window. All Eligible Shareholders can enter orders for Shares in demat form as well as Shares in physical form.
- 20.17 At the beginning of the tendering period, the order for buying Shares shall be placed by the Company through the Company's Broker. During the Tendering Period, the order for selling the Shares shall be placed by the Eligible Shareholders through their respective Selling Member(s) during normal trading hours of the secondary market.
- 20.18 Modification / cancellation of orders and multiple bids from a single Eligible Shareholder will be allowed during the Tendering Period. Multiple bids made by a single Eligible Shareholder for selling the Shares shall be clubbed and considered as 'one' bid for the purposes of Acceptance.
- 20.19 The cumulative quantity tendered shall be made available on BSE website (www.bseindia.com) throughout the Tendering Period, and will be updated at specific intervals during the Tendering Period.

- 20.20 All documents sent by the Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
- 20.21 **Procedure to be followed by Eligible Shareholders holding Shares in dematerialized form:**
- 20.21.1 Eligible Shareholders who desire to tender their Shares in the electronic form under the Buy Back would have to do so through their respective Selling Member(s) by indicating to such Selling Member(s) the details of Shares they intend to tender under the Buy Back.
- 20.21.2 The Selling Member would be required to place an order/bid on behalf of the Eligible Shareholder(s) who wish to tender Shares in the Buy Back using the Acquisition Window of BSE. It is mandatory to transfer the tendered Shares into the account of Indian Clearing Corporation Limited (referred to as the “**Clearing Corporation**”) by the Eligible Shareholder through the early pay-in mechanism of the Depositories prior to placing the order/bid on the BSE’s IBBS platform by the Selling Member. For further details, Eligible Shareholders may refer to the circulars issued by BSE/Clearing Corporation.
- 20.21.3 The details of the settlement number under which the Shares are to be transferred in the account of Clearing Corporation for the Buy Back will be provided in a separate circular to be issued by the Clearing Corporation.
- 20.21.4 For custodian participant orders for demat Shares, early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than 6:00 p.m. IST on the last day of the Tendering Period i.e. the Buy Back Closing Date. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, order modification by the concerned Selling Member shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
- 20.21.5 Upon placing the bid, the Selling Member shall provide a TRS generated by the BSE’s bidding system to the Eligible Shareholder. The TRS will contain the details of order submitted such as Bid ID No., Application No., DP ID, Client ID, number of Shares tendered etc.
- 20.21.6 In case of Shares held in physical form, Eligible Shareholders who have tendered their Shares in the Buy Back can ‘hand deliver’ the Tender Form duly signed (by all Eligible Shareholders in case such Shares are held in joint names) in the same order in which they hold the Shares, TRS generated by the exchange bidding system along with all relevant documents to the Registrar to the Buy Back at its office provided in Paragraph 18 herein above. The TRS will be generated by the respective Selling Member. Eligible Shareholders who cannot hand deliver the Tender Form and such other documents to the Registrar to the Buy Back at its office provided in Paragraph 18 herein above, may send the same by registered post/ speed post, at their own risk, super-scribing the envelope as “**Cheviot Company Limited Buy Back Offer 2017**”, to the Registrar to the Buy Back Offer at their office provided in Paragraph 18 herein above, so that the same are received not later than 2 (two) days from the Buy Back Closing Date i.e. Wednesday, September 06, 2017 (by 5 p.m.).
- 20.21.7 Eligible Shareholders shall also provide all relevant documents, which are necessary to ensure transferability of the Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):
- (i) Duly attested power of attorney, if any person other than the Eligible Shareholder has signed the Tender Form;
 - (ii) Duly attested death certificate and succession certificate/ legal heir certificate, in case any Eligible Shareholder has expired; and
 - (iii) In case of companies, the necessary certified corporate authorizations (including board and/ or general meeting resolutions).
- 20.21.8 In case of demat Shares, submission of Tender Form and TRS is not required. After the receipt of the demat Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Buy Back shall be deemed to have been accepted, for Eligible Shareholders holding Shares in demat form.
- 20.21.9 The Eligible Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Shares due to rejection or any other reason. Further, Eligible Shareholders will have to ensure that they keep the saving account attached with the DP account active and updated to receive credit remittance due to acceptance of Buy Back of shares by the Company.
- 20.21.10 Modification and cancellation of the orders will be allowed during the tendering period of the Buy Back.
- 20.21.11 The Cumulative quantity tendered shall be made available on the website of the BSE (www.bseindia.com) throughout the trading sessions and will be updated at specific intervals during the tendering period.

- 20.22 **Procedure to be followed by Eligible Shareholders holding Shares in physical form:**
- 20.22.1 Eligible Shareholders who are holding physical Shares and intend to participate in the Buy Back will be required to approach their respective Selling Member(s) along with the complete set of documents for verification procedures to be carried out including the (i) original Share certificate(s), (ii) valid share transfer form(s) i.e. Form SH-4 duly filled and signed by the transferors (i.e. by all registered Eligible Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (iii) self-attested copy of the Eligible Shareholder's PAN Card, (iv) the Tender Form (duly signed by all Eligible Shareholders in case the Shares are in joint names) the same order in which they hold Shares, and (v) any other relevant documents such as, but not limited to, duly attested power of attorney, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original Eligible Shareholder has deceased, etc., as applicable.
- In addition, if the address of the Eligible Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Eligible Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.
- 20.22.2 Based on the documents as mentioned in paragraph 20.22.1 herein above, the concerned Selling Member shall place the bid on behalf of Eligible Shareholders holding Shares in physical form using the Acquisition Window of BSE. Upon placing the bid, the Selling Member shall provide a TRS generated by the exchange bidding system to the Eligible Shareholder. The TRS will contain the details of order submitted like folio number, Share certificate number, distinctive number, number of Shares tendered, etc.
- 20.22.3 The Selling Member / Eligible Shareholder is required to deliver the original Share certificate(s) and documents (as mentioned in paragraph 20.22.2) along with TRS either by registered post or courier or hand delivery to Registrar to the Buy Back, at its office provided in Paragraph 18 herein above, within 2 (two) days of bidding by Selling Member. The envelope should be super scribed as "**Cheviot Company Limited Buy Back Offer 2017**". One copy of the TRS will be retained by Registrar to the Buy Back and it will provide acknowledgement of the same to the Selling Member / Eligible Shareholder.
- 20.22.4 Eligible Shareholders holding physical Shares should note that physical Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Shares for Buy Back by the Company shall be subject to verification as per the Buy Back Regulations and any further directions issued in this regard. The Registrar to the Buy Back will verify such bids based on the documents submitted on a daily basis and till such time BSE shall display such bids as 'unconfirmed physical bids'. Once the Registrar to the Buy Back confirms the bids it will be treated as 'Confirmed Bids'.
- 20.22.5 All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Shares tendered will be liable for rejection.
- 20.22.6 In case any Eligible Shareholder has submitted Shares in physical form for dematerialization, such Shareholders should ensure that the process of getting the Shares dematerialized is completed well in time so that they can participate in the Buy Back before Buy Back Closing Date.
- 20.23 For Shares held by Eligible Shareholders, being Non-Resident Shareholders
- 20.23.1 Eligible Shareholders, being Non-Resident Shareholders (excluding FIIs) should also enclose a copy of the permission received by them from the RBI, if applicable, to acquire the Shares held by them in the Company.
- 20.23.2 In case the Shares are held on repatriation basis, the Eligible Shareholder, being a Non-Resident Shareholder, should obtain and enclose a letter from its authorized dealer / bank confirming that at the time of acquiring such Shares, payment for the same was made by such Eligible Shareholder, from the appropriate account as specified by RBI in its approval. In case the Eligible Shareholder, being a Non-Resident Shareholder, is not in a position to produce the said certificate, the Shares would be deemed to have been acquired on non-repatriation basis, and in that case, the Eligible Shareholder shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid Shares accepted under the Buy Back.
- 20.23.3 If any of the above stated documents (as applicable) are not enclosed along with the Tender Form, the Shares tendered by Eligible Shareholders, being Non-Resident Shareholders, under the Buy Back are liable to be rejected.
- 20.23.4 Modification and cancellation of the orders will be allowed during the tendering period of the Buy Back.
- 20.23.5 The Cumulative quantity tendered shall be made available on the website of the BSE (www.bseindia.com) throughout the trading sessions and will be updated at specific intervals during the tendering period.
- 20.24 Acceptance of orders
- 20.24.1 The Registrar to the Buy Back shall provide details of order acceptance to Clearing Corporation within specified time lines.

20.25 **Method of Settlement**

- 20.25.1 Upon finalization of the basis of Acceptance as per the Buy Back Regulations, the settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market and as intimated by the Clearing Corporation from time to time.
- 20.25.2 The Company will transfer the consideration pertaining to the Buy Back to the Clearing Corporation's bank account through the Company's Brokers as per the secondary market mechanism, as per the prescribed schedule. For demat Shares accepted under the Buy Back, the Clearing Corporation will make direct funds pay-out to the respective Eligible Shareholders. If bank account details of any Eligible Shareholder holding Shares in dematerialized form are not available or if the fund transfer instruction is rejected by the Reserve Bank of India or relevant Bank, due to any reasons, then the amount payable to the Eligible Shareholders will be transferred to the concerned Seller Members' for onward transfer to the such Eligible Shareholder holding Shares in dematerialized form.
- 20.25.3 In case of certain client types viz. NRI, foreign clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account. For this purpose, the client type details would be collected from the Depositories, whereas funds payout pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by BSE and the Clearing Corporation from time to time.
- 20.25.4 For the Eligible Shareholders holding Shares in physical form, the funds pay-out would be given to their respective Selling Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account.
- 20.25.5 The Shares bought back in the dematerialized form would be transferred directly to the Demat escrow account of the Company provided it is indicated by the Company's Brokers or it will be transferred by the Company's Brokers to the Company Demat Escrow Account on receipt of the Shares from the clearing and settlement mechanism of the BSE.
- 20.25.6 Excess Shares or unaccepted Shares, in dematerialized form, if any, tendered by the Eligible Shareholders would be transferred by the Clearing Corporation directly to the respective Eligible Shareholder's DP account. If the securities transfer instruction is rejected in the Depository system, due to any issue then such securities will be transferred to the Seller Member's depository pool account for onward transfer to the respective Eligible Shareholder.
- 20.25.7 Any excess Shares, in physical form, pursuant to proportionate acceptance / rejection will be returned back to the Eligible Shareholders directly by the Registrar. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Shares, in case the Shares accepted by the Company are less than the Shares tendered in the Buy Back by Eligible Shareholders holding Shares in the physical form.
- 20.25.8 The Seller Member would issue contract note for the Shares accepted under the Buy Back. The Company's Brokers would also issue a contract note to the Company for the Shares accepted under the Buy Back.
- 20.25.9 Shareholders who intend to participate in the Buy Back should consult their respective Selling Member for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Member upon the selling Eligible Shareholder for tendering Shares in the Buy Back (secondary market transaction). The Manager to the Buy Back and the Company accept no responsibility to bear or pay any additional cost, applicable taxes, charges and expenses (including brokerage) levied by the Selling Member, and such costs will be incurred solely by the Eligible Shareholders.
- 20.25.10 The Shares lying to the credit of the Company Demat Escrow Account and the Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buy Back Regulations.
- 20.26 **Rejection Criteria**
- 20.26.1 The Shares tendered by Eligible Shareholders would be liable to be rejected on the following grounds.
- For Eligible Shareholders holding shares in the dematerialized form if:
- The Shareholder is not an Eligible Shareholder of the Company as on the Record Date;
- For Eligible Shareholders holding Shares in the physical form if:
- a) The documents mentioned in the Tender Form for Eligible Shareholders holding Shares in physical form are not received by the Registrar on or before the close of business hours of Wednesday, September 06, 2017 (by 5 p.m.);
 - b) If there is any other company share certificate enclosed with the Tender Form instead of the share certificate of the Company;

- c) If the transmission of Shares is not completed, and the Shares are not in the name of the Eligible Shareholders;
- d) If the Eligible Shareholders bid the Shares but the Registrar does not receive the physical Share certificate; or
- e) In the event the signature in the Tender Form and Form SH-4 do not match as per the specimen signature recorded with Company or Registrar.

21. NOTE ON TAXATION

SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE ASSESSING OFFICERS IN THEIR CASE AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE.

Given below is a broad summarization of the applicable sections of the ITA relating to treatment of income-tax in case of Buy Back of listed equity shares on the stock exchange, which is provided only as a guidance.

21.1 CLASSIFICATION OF SHARES AND SHAREHOLDERS

- a) **Based on the provisions of the Income Tax Act, shares can be classified under the following two categories:**
 - i. Shares held as investment (Income from transfer taxable under the head “Capital Gains”)
 - ii. Shares held as stock-in-trade (Income from transfer taxable under the head “Profits and Gains from Business or Profession”)
- b) **Based on the provisions of the Income Tax Act, shareholders can be classified under the following categories:**
 - i) **Resident Shareholders being:**
 - Individuals, HUF, AOP and BOI
 - Others
 - ii) **Non- Resident shareholders being:**
 - NRIs
 - FIIs
 - Others:
 - Company;
 - other than Company

21.2 SHARES HELD AS INVESTMENT

- a) For Non-Residents, taxability of Capital Gains would be subject to beneficial provisions of applicable DTAA.
- b) The taxability as per the provisions of the Income Tax Act is discussed below.

PERIOD OF HOLDING

As per the provisions of the Income Tax Act, for the purpose of determining as to whether the Capital Gains are short term or long term in nature:

- i) Where a capital asset, being listed equity shares of the company being bought back, is held for a period of less than or equal to 12 months prior to the date of transfer, the same shall be treated as a short term capital asset, and the gains arising therefrom shall be taxable as short term capital gains (STCG).
- ii) Similarly, where the listed equity shares are held for a period of more than 12 months prior to the date of transfer, the same shall be treated as a long- term capital asset, and the gains arising therefrom shall be taxable as long-term capital gains (LTCG).
- c) Capital Gains on Buy Back of shares are governed by the provision of Section 46A of the Income Tax Act. As per the provisions of Section 46A, Buy Back of shares held as Investment, would attract capital gains in the hands of shareholders as per the provisions of Section 48 of the Income Tax Act.

Buy Back of Shares through a Recognized Stock exchange

Where transaction for transfer of such equity shares (i.e. Buy Back) is executed through a recognized stock exchange and such transaction is chargeable to Securities Transaction Tax (STT), the taxability is as under (for all categories of shareholders):

- a) LTCG arising from such transaction would be exempt under Section 10(38) of the Income tax Act; and
- b) STCG arising from such transaction would be subject to tax @ 15% under section 111A of the Income tax Act.

Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income tax is required to be considered while computing the tax on such STCG.

In addition to the above STCG tax, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable as under:

- In case of companies other than domestic companies:
Surcharge @5% is leviable where the total income exceeds ₹ 10 Crores and @2% where the total income exceeds ₹ 1 Crore but less than ₹ 10 Crores. Education Cess @2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.
- In case of domestic companies: Surcharge @12% is leviable where the total income exceeds ₹ 10 Crores and @7% where the total income exceeds ₹ 1 Crore but less than ₹ 10 Crores is leviable in all cases. Further, Education Cess @2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.
- In case of resident assesseees (i.e. other than domestic companies): Surcharge@15% is leviable where the total income exceeds ₹ 1 Crore and @ 10% where the total income exceeds ₹ 50 Lakhs but less than ₹ 1 Crore. Also, Education Cess @2% and Secondary and Higher Education Cess @ 1% is leviable.
- In addition to the above, MAT implications may also get triggered for domestic companies.

21.3 SHARES HELD AS STOCK IN TRADE

- a) If the shares are held as stock-in-trade by any of the Shareholders of the Company, then the gains would be characterized as business income. In such a case, the provisions of section 46A of the Income Tax Act would not apply.
- b) Resident Shareholders
 - i. For individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
 - ii. Domestic Companies having turnover or gross receipts not exceeding ₹ 50 Crores in the previous year would be taxable @ 25%
 - iii. For persons other than stated in (i) and (ii) above, profits would be taxable@ 30%. No benefit of indexation by virtue of period of holding would be available in any case. In addition to the above, Surcharge Education Cess and Secondary and Higher Education Cess are leviable.
- c) Non- Resident Shareholders
 - i. For Non Residents, taxability of profits as business income would be subject to beneficial provisions of applicable DTAA.
 - ii. Where DTAA provisions are not applicable:
 - For non-resident individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
 - For foreign companies, profits would be taxed in India @ 40%
 - For other non-Resident shareholders, such as foreign firms, profit would be taxed @ 30%

In addition to the above, Surcharge Education Cess and Secondary and Higher Education Cess are leviable.

21.4 TAX DEDUCTION AT SOURCE

- a) In case of Resident Shareholders
In absence of any specific provision under the Income Tax Act, the Company shall not deduct tax on the consideration payable to resident shareholders pursuant to the said Buy Back.
- b) In case of Non- Resident Shareholders
Since the Buy Back is through the stock exchange, the responsibility of discharge of the tax due on the gains (if any) is on the non-resident shareholder. It is therefore recommended the non-resident shareholder may consult their custodians/ authorized dealers/ tax advisors appropriately.

21.5 THE TAX RATES AND OTHER PROVISIONS MAY UNDERGO CHANGES

22. DECLARATION BY THE BOARD OF DIRECTORS

Declaration as required under clause (ix) and clause (x) of Part A of Schedule II to the Buy Back Regulations :

- (i) The Board of directors confirms that there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of term loans or interest payable thereon to any financial institution or banks.

- (ii) The Board of directors have confirmed on the date of the Board Meeting (i.e. May 24, 2017) that they have made a full enquiry into the affairs and prospects of the Company and that they have formed the opinion:
- that immediately following the date of the meeting of the Board of Directors held on May 24, 2017, there will be no grounds on which the Company could be found unable to pay its debts;
 - as regards the Company's prospects for the year immediately following the date of the Board Meeting, approving the Buy Back, having regard to the Board's intention with respect to the management of Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting approving the Buy Back;
 - in forming the opinion as aforesaid, the Board of directors have taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act (including prospective and contingent liabilities).

This declaration is made and issued pursuant to the resolution passed at the meeting of the Board held on May 24, 2017.

For and on behalf of the Board of Directors

Sd/-

Mr. Harsh Vardhan Kanoria
Chairman and Managing Director

Sd/-

Mr. Nawal Kishore Kejriwal
Whole time Director

23. AUDITORS CERTIFICATE

23.1 The text of the Report dated May 24, 2017 received from the Statutory Auditors of the Company viz. Jain & Co., Chartered Accountants, addressed to the Board of Directors of the Company is reproduced below:

-- "QUOTE" --

"To
The Board of Directors,
Cheviot Company Limited
9th Floor, Magma House,
24, Park Street,
Kolkata - 700 016
Dear Sirs,

Subject: Report in terms of Clause (xi) of Schedule II, Part A, to the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (as amended)

In connection with the proposal of Cheviot Company Limited (the "Company") to buy back its ordinary shares as approved by its Board of Directors in their meeting held on May 24, 2017 and in pursuance to the provisions of Sections 68, 69 and 70 of the Companies Act, 2013 (the "Act") and the Companies (Share Capital and Debenture) Rules, 2014 and subsequent amendments thereof, and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (as amended), we have examined the Company's Audited Financial Statements for the year ended March 31, 2017 and according to the information and explanations given to us and on the basis of such verification of relevant records as we considered appropriate, we confirm that :

- We have enquired into the Company's State of affairs in relation to the audited Standalone Financial Statements for the year ended March 31, 2017;
- In our Opinion, the maximum amount of permissible capital payment (including premium) towards Buy Back of ordinary shares as computed below has been properly determined in accordance with Section 68(2)(c) of the Companies Act:

Particulars		Amount (₹ In Lacs)	Amount (₹ In Lacs)
Paid up ordinary share capital as on 31st March, 2017 (45,11,250 ordinary shares of face value ₹ 10 each)	A		451.48
Free Reserves as on March 31, 2017:	B		
General Reserve		33,188.30	
Surplus		640.14	33,828.44
Securities Premium Account	C		1,242.50
Total (A+B+C)			35,522.42
Maximum amount permissible for the Buy Back (i.e., 10% of the aggregate of fully paid up ordinary share capital and free reserves)			3,552.24

- iii) The Board of Directors in their meeting held on May 24, 2017 have formed their opinion as specified in Clause (x) of Part A of Schedule II of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998 on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of board meeting.
- iv) We are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.
- v) Compliance with the provisions of the Act and the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998 is the responsibility of the Company's management. Our responsibility is to verify the factual accuracy based on our aforementioned statements, for the purpose of this report, we conducted our verification in accordance with the Guidance Note on Audit Reports and Certificates for special purposes issued by the Institute of Chartered Accountants of India.
- vi) This report has been prepared for and only for the Company and is in reference to the proposed Buy Back of ordinary shares including disclosing in the Public Announcement, Draft Letter of Offer, Letter of Offer and submission to various Regulatory bodies such as SEBI, Stock Exchanges, RBI etc., as required under SEBI (Buy-Back of Securities) Regulations, 1998 (as amended) and should not be used, referred or distributed for any other purpose without our prior written consent.
- vii) We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Place: Kolkata
Date: 24.05.2017

For **Jain & Co.**
Chartered Accountants
F.R. No. 302023E
Sd/-
(CA. P. K. Jain)
Partner
Membership No. 52018

--"UNQUOTE"--

24. DOCUMENTS FOR INSPECTION

The copies of the following documents referred to hereunder are available for inspection by Eligible Shareholders of the Company at the registered office at 9th Floor, Magma House, 24, Park Street, Kolkata - 700016 between 11 a.m. and 1 p.m. on any Working Day during the Tendering Period:

- 24.1 Certificate of incorporation and Memorandum and Articles of Association of the Company;
- 24.2 Annual reports of the Company for the financial year ended March 31, 2015, March 31, 2016, and standalone audited financial statements approved by the Board for March 31, 2017;
- 24.3 Copy of resolution passed by the Board of Directors in relation to the Buy Back at their meeting held on May 24, 2017;
- 24.4 Auditor's Report dated May 24, 2017 received from Jain & Co. Chartered Accountants, in terms of clause (xi) of Part A to Schedule II of the Buy Back Regulations;
- 24.5 Public Announcement dated May 25, 2017 and published on May 26, 2017;
- 24.6 Declaration of solvency and an affidavit as per Form SH-9 of the Share Capital Rules;
- 24.7 Certificate dated May 24, 2017 issued by Jain & Co. Chartered Accountant confirming that the Company has adequate funds for the purposes of the Buy Back.

25. DETAILS OF THE COMPLIANCE OFFICER

- 25.1 The details of the Compliance Officer are set out below.

Mr. Aditya Banerjee

Company Secretary & Compliance Officer

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

Tel: +91 82320 87911/12/13; **Fax:** +91 33 22497269/22172488

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

- 25.2 Eligible Shareholders may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours 10:30 a.m. to 5:30 p.m. on all Working Days except Sunday and public holidays.

26. DETAILS OF THE REMEDIES AVAILABLE TO THE ELIGIBLE SHAREHOLDERS

- 26.1 In case of any grievances relating to the Buy Back (i.e. non-receipt of the Buy Back consideration, Share certificate, demat credit, etc.) the Eligible Shareholder can approach the Compliance Officer and/or the Manager to the Buy Back and/or the Registrar to the Buy Back for redressal.
- 26.2 If the Company makes any default in complying with the requirements under the Act or any rules made thereunder as may be applicable to the Buy Back, the Company or any officer of the Company who is in default shall be liable in terms of the Act.
- 26.3 The address of the concerned office of the Registrar of Companies is as follows:
Sh. B. Mohanty
Nizam Palace, 2nd MSO Building, 2nd Floor,
234/4, A.J.C. Bose Road, Kolkata – 700020
Phone: 033-2287 7390; Fax 033-22903795
roc.kolkata@mca.gov.in

27. DETAILS OF INVESTOR SERVICE CENTRES

In case of any query, the shareholders may contact the Registrar on any day except holidays between 10.00 a.m. and 5.00 p.m. at the following address:

MAHESHWARI DATAMATICS PRIVATE LIMITED

23, R.N. Mukherjee Road, (5th Floor), Kolkata – 700 001
Tel.: +91 33 2243 5029 / 5809; Fax: +91 33 2248 4787
Contact Person: Mr. S. Rajagopal, Vice President
Email: mdpldc@yahoo.com; Website: www.mdpl.in

28. MANAGER TO THE BUY BACK



VC CORPORATE ADVISORS PRIVATE LIMITED

31, Ganesh Chandra Avenue, (2nd Floor), Suite No. 2C, Kolkata – 700 013
Tel.: +91 33 2225 3940; Fax: +91 33 2225 3941
Contact Person: Mr. Anup Kumar Sharma / Ms. Zeba Shaukat
Email: mail@vccorporate.com
Website: www.vccorporate.com

29. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE OFFER DOCUMENT

As per Regulation 19(1)(a) of the Buy Back Regulations, the Board of Directors accept full responsibility for the information contained in this Letter of Offer:

For and on behalf of the Board of Directors of

CHEVIOT COMPANY LIMITED

-Sd/-

Harsh Vardhan Kanoria
Chairman and Managing Director
DIN: 00060259

Date: August 09, 2017
Place: Kolkata

-Sd/-

Nawal Kishore Kejriwal
Wholetime Director
DIN: 00060314

-Sd/-

Aditya Banerjee
Company Secretary and Compliance Officer
ACS 34468