

MADRAS CHIPBOARD LIMITED

Board of Directors

Shri N.K. Ramasuwami Raja
Shri N.R.K. Ramkumar Raja
Smt Nalina Ramalakshmi
Shri S. Neethiraj
Shri P.J. Ramkumar Rajha
Smt. D. Swarnalukshme
Shri S.J. Srikanth
Shri. A.R.S. Chaithanya

Registered Office & Factory :

No. 53, Annamaraja Nagar,
Sankarankoil Road,
Rajapalayam - 626 117
Tamilnadu.
Phone No : 04563 - 230756, 230913
Fax No : 04563 - 223844
e-mail : corporate@madraschipboard.com
Website : www.madraschipboard.com

Corporate Indentification Number :

U17100TN1961PLC004457

Goods and Service Tax Number :

GSTIN : 33AABCM2590F1ZR

Auditors :

M/s. M.S. Jagannathan & N. Krishnaswami
Chartered Accountants,
Unit-5, Ground Floor,
Abirami Apartments,
14, V.O.C Road, Cantonment,
Tiruchirapalli - 620 001

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Notice to The Members

Notice is hereby given that the 60th Annual General Meeting of the Company will be held on Monday, the 23rd August, 2021 at 11.00 A.M, at Registered Office of the Company, Annamaraja Nagar, Sankarankoil Road, Rajapalayam-626 117, Tamilnadu to transact the following business:

Ordinary Business:

1. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
"RESOLVED that the Directors' Report and the Company's Statement of Profit & Loss for the year ended 31st March, 2021, Balance sheet as at that date and Cash Flow Statement for the year ended on that date and the Auditors' Report thereon be and are hereby considered and adopted."
2. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
"RESOLVED that Shri. S. Neethiraj, (DIN 00532497) who retires by rotation, be and is hereby elected as Director of the Company".
3. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
"RESOLVED that Smt. D. Swarnalukshme, (DIN 01267411) who retires by rotation, be and is hereby elected as Director of the Company".

Special Business :

4. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
"RESOLVED that pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Shri N.R.K. Ramkumar Raja (DIN: 01948373), appointed as an Additional Director of the Company on 24th February, 2021 pursuant to the provisions of Section 161 of the Companies Act, 2013 and who holds office upto the date of this Annual General Meeting, and being eligible, offer himself for appointment and in respect of whom the Company has received a notice in writing from a Member pursuant to the provisions of Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Shri N.R.K. Ramkumar Raja and for the office of Directors, be and is hereby appointed as a Director of the Company liable to retire by rotation."
5. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
"RESOLVED that pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Smt. Nalina Ramalakshmi (DIN: 01364161)

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appointed as an Additional Director of the Company on 24th February, 2021 pursuant to the provisions of Section 161 of the Companies Act, 2013 and who holds office upto the date of this Annual General Meeting, and being eligible, offer himself for appointment and in respect of whom the Company has received a notice in writing from a Member pursuant to the provisions of Section 160 of the Companies Act, 2013 signifying her intention to propose the candidature of Smt. Nalina Ramalakshmi for the office of Directors, be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. To consider and pass the following Resolution, as an SPECIAL RESOLUTION:

RESOLVED that pursuant to the provisions of Section 188 of the Companies Act, 2013 and Rules made there under (including any amendment, modification or re-enactment thereof), as amended from time to time and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, the consent of the Company be and is hereby accorded to the Board Directors of the Company (hereinafter referred to as "The Board") to enter into contracts/arrangement/transactions with any of related party(ies) of the Company (entered/ to be entered individually with a related party or entered/ to be entered with all the related parties taken together with) during any given Financial Year on such terms and conditions as detailed below:

Name of the Related Party	Nature or Transaction	Value up to which the company can enter into Name of the Related Party Nature or Transaction contract / arrangement /transaction with related party(ies) in a financial year
The Ramaraju Surgical Cotton Mills Limited	Lease Income Tenure: 12 Years from the period of execution of lease deed @ Rs.30 Lakhs per month	Rs.10 Crores

By Order of the Board of Directors,
For Madras Chipboard Limited

Rajapalayam
03rd May, 2021

N.K. Ramasuwami Raja
Director
DIN: 00432698

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Statement Pursuant To Section 102 of The Companies Act, 2013

Item No: 4 & 5

The Board of Directors had appointed Shri N.R.K. Ramkumar Raja (DIN: 01948373), and Smt. Nalina Ramalakshmi (DIN: 01364161) as Additional Directors on 24th February, 2021.

Shri N.R.K. Ramkumar Raja, aged 63 years is an Engineering Graduate. He has vast experience in Textiles and managing the affairs of the Company. He is holding the position of Managing Director in The Ramaraju Surgical Cotton Mills Limited. And as a Director in Shri Harini Media Limited. His Director Identification No. is 01948373.

Smt. Nalina Ramalakshmi, aged 57 years has a Bachelor's Degree in B.SC., and Master Degree in M.S.C.S. She has knowledge and rich experience in Textile Industry. She is also holding the position of Managing Director in The Ramaraju Surgical Cotton Mills Limited and Shri Harini Media Limited and Director in Nalina Agricultural Farms Private Limited, Sri Harini Textiles Limited and Sri Nithyalakshmi Farms Private Limited. Her Director Identification No. is 01364161.

In terms of Section 161 (1) of the Companies Act, 2013, Shri N.R.K. Ramkumar Raja and Smt. Nalina Ramalakshmi holds Office as Additional Director upto the date of the forthcoming Annual General Meeting.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 from a Member signifying his intention to propose the appointment of Shri N.R.K. Ramkumar Raja and Smt. Nalina Ramalakshmi as a Director.

Shri N.R.K. Ramkumar Raja holds 50 Nos. of Shares and Smt. Nalina Ramalakshmi holds 35 Nos. of Shares in the Company as on 31st March, 2021.

The Board recommends the Resolution for the approval of the Members.

The notice received under Section 160 of the Companies Act, 2013 would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

None of the Directors of the Company and their relatives is concerned or interested in the Resolution except Shri N.R.K. Ramkumar Raja, Smt. Nalina Ramalakshmi and Shri N.K. Ramasuwami Raja.

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Additional information on Director appointment as required under Secretarial Standards-2 on General Meetings.

Name	Shri N.R.K. Ramkumar Raja
Director Identification Number (DIN)	01948373
Date of Birth	18 th April, 1957
Nationality	Indian
Date of appointment on the Board	24 th February, 2021
Qualification	B.E
Directorships held in other Companies as on March 31, 2021 (excluding foreign companies)	1. The Ramaraju Surgical Cotton Mills Limited 2. Shri Harini Media Limited
Number of Shares held in the Company	50
Number of Board Meeting attended during FY 2020-21	One

Name	Smt. Nalina Ramalakshmi
Director Identification Number (DIN)	01364161
Date of Birth	10 th May, 1963
Nationality	Indian
Date of appointment on the Board	24 th February, 2021
Qualification	B.SC., & M.S.C.S.
Directorships held in other Companies as on March 31, 2021 (excluding foreign companies)	1. The Ramaraju Surgical Cotton Mills Limited 2. Shri Harini Media Limited 3. Sri Harini Textiles Limited 4. Nalina Agricultural Farms Private Limited 5. Sri Nithyalakshmi Farms Private Limited
Number of Shares held in the Company	35
Number of Board Meeting attended during FY 2020-21	One

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Item No: 6

The Ramaraju Surgical Cotton Mills Limited is a related party as defined under Section 2(76) of the Companies Act, 2013.

The value of the proposed lease transaction would exceed 10% of the Turnover, (ie., 30 lakhs per month aggregating to Rs. 3.60 Crores as of now). Hence prior approval of the Shareholders shall be obtained before entering into the said transaction as per Section 188(1)(c) read with Rule 15 relating to 'leasing of property of any kind' as the lease rentals expected to be more than ten per cent or more of the turnover of the company.

The Directors recommend the Resolution to the Member for their approval.

None of the Directors of the Company and their relatives is concerned or interested in the Resolution except Shri N.R.K. Ramkumar Raja, Smt. Nalina Ramalakshmi, Shri N.K. Ramaswami Raja and Shri P.J. Ramkumar Rajha.

Notes:

1. A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and that the Proxy need not be a Member. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. Proxy form is enclosed. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of the Companies, Societies, etc., must be supported by an appropriate resolution / authority, as applicable.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 14-08-2021 to 23-08-2021 (both days inclusive)
3. Under Section 124 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules, 2016'), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government.

Hence, the Members who have not claimed their dividend relating to the earlier years may write to the Company for claiming the amount before it is so transferred to the Fund.

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The details of due dates for transfer of such unclaimed dividend to the said fund are:

FINANCIAL YEAR ENDED	DATE OF DECLARATION OF DIVIDEND	LAST DATE FOR CLAIMING UNPAID DIVIDEND	DUE DATE FOR TRANSFER TO IEPF FUND
31-03-2014	06-08-2014	05-08-2021	04-09-2021
31-03-2015	03-08-2015	02-08-2022	01-09-2022
31-03-2016	05-08-2016	04-08-2023	03-09-2023
31-03-2017	03-08-2017	02-08-2024	01-09-2024
31-03-2018	04-08-2018	03-08-2025	02-09-2025
31-03-2019	03-08-2019	02-08-2026	01-09-2026

4. In accordance with Section 125(5) of the Companies Act, 2013, the Company has transferred the unclaimed / unpaid dividends lying with the Company for a period of over 7 years, to the IEPF established by the Central Government.
5. In accordance with Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016, the shares in respect of which, dividend has not been paid or claimed for 7 consecutive years or more have been transferred by the Company to IEPF. The shareholders / their legal heirs are entitled to claim the said shares and the dividend so transferred from the IEPF by making an online application in Form No: IEPF-5 to the IEPF Authority. The procedure and the form are available at www.madraschipboard.com and www.iepf.gov.in.
6. Members/Proxies are requested to fill in and sign attendance slip for attending the meeting.
7. Proxy form shall be annexed in the Annual Report and Poll sheets can be given at the AGM, if required.

By Order of the Board of Directors,
For Madras Chipboard Limited

Rajapalayam
03rd May, 2021

N.K. Ramasuwami Raja
Director
DIN: 00432698

MADRAS CHIPBOARD LIMITED

Directors' Report

To the Members

Your Directors have pleasure in presenting their 60th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2021.

1. Financial Results

The Financial results for the year ended 31st March, 2021, after charging all expenses but before deducting Finance Costs and Depreciation have resulted in Operating Profit of Rs. (42,92,519)/- against Rs. 3,18,246/- for the previous financial year 2019-20

After deducting Rs.1,25,522/- towards Depreciation, the Net Profit for the year is Rs.(44,18,041) Adding the surplus of Rs. 11,45,557/- brought forward from the previous year, your Directors propose to appropriate the total sum of Rs. (32,72,484)/- as detailed below:

Provision for Taxation :	Rs.
Current Tax	5,41,652
Deferred Tax	(5,81,025)
Balance Carried over to Balance Sheet	<u>(32,33,111)</u>
TOTAL	Rs. <u><u>(32,72,484)</u></u>

2. Share Capital

The Paid-up Share Capital of the Company is Rs. 24,18,600/- (Previous Year: Rs. 24,18,600) consisting of 24,186 Equity Shares of Rs. 100/- each (Calls in arrears due from persons other than Directors (Time Barred) Rs.6,739/-)

3. Dividend

Considering financial position of the Company, your Directors are not recommending any dividend for the year 2020-2021.

4. Taxation

The Company has provided an amount of Rs.5.42 Lakhs towards Current Tax and Deferred Tax Liability has been reversed to the extent of Rs.(5.81) Lakhs.

5. Trade Conditions

During the year the company turnover was Rs. 144.16 Lakhs when compared to Rs. 230.23 Lakhs for the previous year registering decline of Rs. 86.07 Lakhs. This was an account of sluggish demand in the construction industry. The company optimized the cost to earn a reasonable profit.

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6. Future Outlook

The Company's operations have been on the decline over the last few years due to severe competition and market reach. Considering the Covid pandemic, age of the plant and machinery and available workforce, the current management has restricted the operations in manufacture/ sale of flush doors. Besides the return on investment in the flush door business is much less than optimum. The current management would focus more on construction of Industrial building for letting it out and has entered into an MOU with its Holding Company The Ramaraju Surgical Cotton Mills Limited. Shareholders approval is being sought in the ensuing General Meeting. The current agreement would yield fair return on the investment proposed.

7. Holding Company

M/s. The Ramaraju Surgical Cotton Mills Limited is the Holding Company and its having 64.68% paid up equity shares in the Company as on 31st March,2021. The Holding Company is a Listed public limited company and its CIN is L17111TN1939PLC002302 having its registered office is at 119, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626117.

8. Industrial Relations And Personnel

Industrial relations with employees remained cordial during the year. Human Resources Development activities received considerable focus. The emphasis was on imparting training and development of the skill set of the employees to enable them to face the challenges in the work environment.

9. Employees Remunerations

The Company does not have employees drawing remuneration exceeding limit fixed under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

10. Internal Financial Controls

In accordance with Section 134 (5) (e) of the Companies Act, 2013, the Company has Internal Financial Controls Policy commensurate with the size and nature of its operations and pertaining to financial reporting. All operations of the Company and its financial statements are reviewed by the Statutory Auditors and their recommendations are implemented accordingly. In accordance with Rule 8 (5) (viii) of the Companies (Accounts) Rules, 2014, the Internal Financial Controls are adequate with reference to the Financial statements.

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11. Directors

The following Directors retire by rotation at the ensuing Annual General Meeting and they are eligible for re-appointment.

1. Shri. S. Neethiraj, (DIN 00532497)
2. Smt. D. Swarnalukshme, (DIN 01267411)

Shri N.R.K. Ramkumar Raja (DIN: 01948373), and Smt. Nalina Ramalakshmi (DIN: 01364161) has been co-opted on 24th February, 2021 as an Additional Director. They will hold the office till the date of the forthcoming Annual General Meeting. A Notice in writing has been received from a Member signifying his intention to propose the appointment of Shri N.R.K. Ramkumar Raja and Smt. Nalina Ramalakshmi as a Director at the Annual General Meeting.

Shri N.K. Ramasuwami Raja as resigned as Managing Director of the Company with effect from 24th February, 2021 and has continued to be Ordinary Director.

Pursuant to Rule 8(5)(iii) of Companies (Accounts) Rules, 2014, it is reported that, other than the above, there have been no changes in the Directors during the year under review

12. Meetings of The Board

During the year Five Board meetings were convened and held on 23-06-2020, 10-08-2020, 04-11-2020, 27-11-2020, 24-02-2021

13. Audit Committee

Not Applicable

14. Details of establishment of vigil mechanism for directors and employees

Not Applicable

15. Nomination and Remuneration Committee

Not Applicable

16. Public Deposit

The Company has not accepted any fixed deposit from the public during the year under review.

17. Orders Passed By Regulators

Pursuant to Rule 8 (5) (vii) of Companies (Accounts) Rules, 2014, it is reported that, no significant and material orders have been passed by the Regulators or Courts or Tribunals, impacting the going concern status and Company's operations in future.

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18. Particulars of Loans, Guarantee And Investments

The Company has not given any loans, guarantees during the year 2020-21 and do not have any investments under Section 186 of the Companies Act, 2013.

19. Auditors

M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants, has been appointed as Statutory Auditor of the Company at the 56th Annual General Meeting would be the Auditor of the company till the conclusion of 61st Annual General Meeting to be held in the year 2022.

The report of the Statutory Auditor for the year ended 31st March, 2021 does not contain any qualification, reservation or adverse remark and no instance of fraud has been reported by Auditors under Section 143(12) of Companies Act, 2013.

20. Conservation of Energy, Etc.

Pursuant to Section 134 (3) (on) of the Companies Act, 2013 and Rule 8 (3) of Companies (Accounts) Rules, 2014, the information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is attached as **Annexure-I**

21. Extract of Annual Return

In Accordance with Section 92 (3) of the Companies Act, 2013, read with Rule 12 (1) of Companies (Management and Administration) Rules, 2014, of the annual return in Form MGT-7 has been placed on website.

In accordance with Section 134(3)(a) of the Companies Act, 2013, the Company placed a copy of the annual return on its website at www.madraschipboard.com

22. Related Party Transaction

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

23. Risk Management Policy

Pursuant to Section 134 (3) (n) of the Companies Act, 2013, the Company has developed and implemented a Risk Management Policy. The Policy envisages identification of risk and procedures for assessment and minimization of risk thereof.

24. Directors' Responsibility Statement

In terms of Section 134 of Companies Act, 2013, the Directors make the following statement that

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- a) In the preparation of the Annual Accounts for the year ended 31st March, 2021 the applicable accounting standards had been followed
- b) The selected accounting policies were applied consistently and judgments and estimates that are reasonable and prudent were made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the Profit of the Company for that period.
- c) Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, had been taken for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts were prepared on going concern basis.
- e) Proper Internal Financial Controls to be followed by the Company had been laid down and these financial controls were adequate and were operating effectively.
- f) Proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and were operating effectively.

25. Material Changes in The Company

Material change and commitments if any affecting in the financial position of the company which are occurred between the end of the financial year of the company to which the financial statements relate and date of the report.

There are no such material change and commitments.

26. Corporate Social Responsibilities

The policy details about the policy developed or implemented by the company on Corporate Social Responsibilities indicatives taken during this year.

Disclosure as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable to the company as it doesn't fall within the ambit of Section 135 of Companies Act, 2013.

27. Disclosure Under The Sexual Harassment Of Woman At Workplace (prevention, Prohibition And Redressal) Act, 2013

“The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Woman at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy”.

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The following is a summary of sexual harassment complaints received and disposed off during the year 2020-21

No. of complaints received: Nil

No. of complaints disposed off: Nil

28. Acknowledgement

The Directors express their appreciation to the Bankers for the co-operation and assistance extended to the Company. The Directors thank the Company's valued customers and members for their continued support and confidence.

The Director wish to place on record their appreciation of employees at all levels for their commitments and their contribution.

On behalf of the Board of Directors,
For Madras Chipboard Limited

N.K. Ramasuwami Raja

Director

DIN: 00432698

Rajapalayam
03rd May, 2021

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Annexure-I to Directors' Report

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A)	<u>Conservation Of Energy:</u>	
	(i) the steps taken on conservation of energy;	The Company pass attention at all levels to reduce energy Consumption by continuous monitoring maintenance and improvements.
	Impact on conservation of energy	Nil
	(ii) the steps taken by the company for utilizing alternate sources of energy;	Nil
	(iii) the capital investment on energy conservation equipments;	Nil
B)	<u>Technology Absorption:</u>	
	(i) the efforts made towards technology absorption;	Nil
	(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;	
	(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	Nil
	(a) the details of technology imported;	Nil
	(b) the year of import;	Nil
	(c) whether the technology been fully absorbed;	Not Applicable
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	Not Applicable
	(iv) the expenditure incurred on Research and Development	Not Applicable
C)	<u>Foreign Exchange Earnings And Outgo:</u>	
	The Foreign Exchange earned in terms of actual inflows during the year and The Foreign Exchange outgo during the year in terms of actual outflows.	Nil Nil

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Independent Auditor's Report

To the Members of Madras Chipboard Ltd.,

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Members of Madras Chipboard Ltd ('the Company') drawn in accordance with the Indian Accounting Standards, which comprise the balance sheet as at 31st March, 2021, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards, of the state of affairs (financial position) of the Company as at 31st March, 2021, its Profit (financial performance including Other Comprehensive Income), Changes in Equity and its Cash Flows for the year ended as on 31st March, 2021.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Directors' Responsibility Statement and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise

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appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of the Financial Statements that give a true and fair view of the financial position, Financial Performance (including Other Comprehensive Income), Changes in Equity and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility

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

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

- (i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from

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error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- (ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (v) Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, we give in the "*Annexure A*", a statement on the matters specified in paragraphs 3 and 4 of the Order.

MADRAS CHIPBOARD LIMITED

- 2) As required by Section 143 (3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the Directors as on 31st March, 2021 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) We have enclosed our report in "Annexure B" with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. As per information and explanations given to us, the Company does not have any pending litigations as at 31st March, 2021.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - ii. There were no amounts that were required to be transferred by the Company to the Investor Education and Protection Fund.

For M.S. Jaganathan & N. Krishnaswami
Chartered Accountants
Firm Registration No. 001208S

R. Sundarasudarsan
Partner
Membership No. 247447
UDIN : 21247447AAAABQ5640

Trichy
03rd May, 2021

MADRAS CHIPBOARD LIMITED

Annexure A to The Independent Auditor's Report

Referred Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the Financial Statements of the Company for the year ended 31st March, 2021:

1) Fixed Assets

- 1.1 The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- 1.2 The fixed assets were physically verified during the year by the Management in accordance with the regular programme of verification which, in our opinion, provides for physical verification of all fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed during such verification.
- 1.3 According to the information and explanations given to us, and based on our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

2) Inventory

- 2.1 The Management has conducted the physical verification of inventory at reasonable intervals.
 - 2.2 The discrepancies noticed on verification between the physical stocks and the book records were properly dealt with in the books of account and were not material.
- 3) The Company has not granted any loans to parties listed in the Register maintained under Section 189 of the Act.
 - 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees, and security.
 - 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
 - 6) According to information and explanations given to us, the company is not required to maintain accounts and records which have been specified by the Central Government under Section 148(1) of the Act.

MADRAS CHIPBOARD LIMITED

- 7) Undisputed and disputed taxes and duties
- 7.1 The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Goods and Services Tax Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.
- 7.2 According to information and explanations given by the Company, there were no disputed statutory dues that have not been deposited with appropriate authorities.
- 8) The Company has not defaulted in repayment of dues to Financial Institutions, Banks, Government or Debentures holders.
- 9) The Company did not raise any money by way of initial public offer or further public offer. The Company has not raised term loans from Banks / Institutions during the year. The Company has not issued any debentures during the year.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- 11) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the Management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.

MADRAS CHIPBOARD LIMITED

- 15) Based upon the audit procedures performed and the information and explanations given by the Management, the Company has not entered into any non-cash transactions with Directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- 16) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For M.S. Jaganathan & N. Krishnaswami
Chartered Accountants
Firm Registration No. 001208S

R. Sundarasudarsan
Partner
Membership No. 247447
UDIN : 21247447AAAABQ5640

Trichy
03rd May, 2021

MADRAS CHIPBOARD LIMITED

Auditors' Report to Shareholders

"Annexure B" to the Independent Auditor's Report of even date on the Financial Statements of Madras Chipboard Limited

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

We have audited the internal financial controls over financial reporting of Members of Madras Chipboard Ltd ("the Company") as of 31st March, 2021 in conjunction with our audit of the Financial Statements of the Company for the year ended on 31st March, 2021.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit

MADRAS CHIPBOARD LIMITED

of Internal Financial Controls Over Financial Reporting ("the Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both applicable to an audit of Internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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

MADRAS CHIPBOARD LIMITED

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

For M.S. Jaganathan & N. Krishnaswami
Chartered Accountants
Firm Registration No. 001208S

R. Sundarasudarsan
Partner
Membership No. 247447
UDIN : 21247447AAAABQ5640

Trichy
03rd May, 2021

MADRAS CHIPBOARD LIMITED
BALANCE SHEET AS AT 31st MARCH, 2021

	Note No.	As at 31.03.2021		As at 31.03.2020		(Amount in Rupees) As at 31.03.2019	
I ASSETS							
(1) Non-Current assets							
Property, Plant and Equipment	6	22,31,642		35,71,382		38,41,895	
Capital work in progress	7	5,33,867		-		-	
Deferred Tax Assets	8	1,77,050	29,42,559	-	35,71,382	-	38,41,895
(2) Current assets							
Inventories	9	35,26,222		88,81,018		84,69,933	
Financial Assets							
Trade Receivables	10	12,53,381		36,56,117		40,01,707	
Cash and cash equivalents	11	1,47,81,818		1,02,03,555		1,23,24,932	
Bank Balance other than							
Cash and Cash Equivalents	12	3,36,678		3,37,158		-	
Loans and Advances	13	66,860		6,44,045		4,00,466	
Other Current Assets	14	9,86,744	2,09,51,703	6,77,972	2,43,99,865	60,88,314	3,12,85,352
Total Assets			2,38,94,262		2,79,71,247		3,51,27,247
II EQUITY AND LIABILITIES							
(1) EQUITY							
Equity Share Capital	15	24,11,861		24,11,861		24,11,861	
Other Equity	16	1,95,19,908	2,19,31,769	2,38,98,576	2,63,10,437	2,38,85,349	2,62,97,210
(2) LIABILITIES							
Non-Current Liabilities							
Provisions	17	-		-		54,77,752	
Deferred Tax Liabilities	18	-	-	4,03,975	4,03,975	4,05,037	58,82,789
(3) Current Liabilities							
Trade Payables							
i) Total outstanding dues of micro Enterprises and small Enterprises		-		-		-	
ii) Total outstanding dues of Creditors other than micro Enterprises and small Enterprises	19	7,32,685		19,415		3,44,632	
Other Current liabilities	20	12,29,808		12,34,030		19,23,488	
Provisions		-		3,390		6,79,128	
Total Equity and Liability			2,38,94,262		2,79,71,247		3,51,27,247
Significant Account Policies	1-5						
See accompanying notes to the financial statements	6-28						

As per our report annexed
For M.S. Jagannathan & N. Krishnaswami
Chartered Accountants
Firm Registration No. 001208S

For and an behalf of the Board

R. Sundarasudarsan
Partner
Membership No. 247447
Trichy.

Rajapalayam.
03rd May 2021

N.K. Ramasuwami Raja
Director
DIN : 00432698

P.J. Ramkumar Rajha
Director
DIN : 00487193

MADRAS CHIPBOARD LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2021

		Note No.	For the Year Ended 31.03.2021	(Amount in Rupees) For the Year Ended 31.03.2020
I	Revenue from Operations	22	1,44,16,211	2,30,23,134
II	Other Income	23	12,54,610	6,52,237
III	Total Revenue (I+II)		<u>1,56,70,821</u>	<u>2,36,75,371</u>
IV	EXPENSES			
	Cost of Materials Consumed	24	73,80,270	1,16,58,483
	Changes in Inventories of Work in Progress	25	6,63,131	(6,23,455)
	Employee Benefit Expenses	26	63,28,913	79,31,205
	Finance Costs	27	-	24,339
	Depreciation	6	2,72,971	2,77,812
	Other Expenses	28	54,43,577	43,90,891
	Total Expenses		<u>2,00,88,862</u>	<u>2,36,59,276</u>
V	Profit before exceptional and extraordinary items and tax		(44,18,041)	16,095
VI	Exceptional & Extraordinary items		-	---
VII	Profit before Tax (V-VI)		<u>(44,18,041)</u>	<u>16,095</u>
VIII	Income Tax Expenses / (Savings)			
	Current Tax		-	3,930
	Current Tax Adjustments for Earlier Years		5,41,652	-
	Deferred Tax		(5,81,025)	(1,062)
IX	Profit for the Year (VII-VIII)		<u>(43,78,668)</u>	<u>13,227</u>
	Other Comprehensive Income			
	Item that will not be reclassified into profit / loss		-	-
	Re-measurement of the defined benefit plans		-	-
	Total Comprehensive Income for the year		<u>(43,78,668)</u>	<u>13,227</u>
	Earning per Equity Share of Rs.100/- each Basic & Diluted (in Rupees)		(181.04)	0.55
	Significant Account Policies	1-5		
	See accompanying notes to the financial statements	6-28		

As per our report annexed
For M.S. Jagannathan & N. Krishnaswami
Chartered Accountants
Firm Registration No. 001208S

R. Sundarasudarsan
Partner
Membership No. 247447
Trichy.

Rajapalayam.
03rd May 2021

For and an behalf of the Board

N.K. Ramasuwami Raja
Director
DIN : 00432698

P.J. Ramkumar Rajha
Director
DIN : 00487193

MADRAS CHIPBOARD LIMITED

Statement of Changes in Equity For The Year Ended 31st March, 2021

A. Equity Share Capital

(Amount in Rupees)

Balance as at 1 st April, 2019	24,11,861
Change in Equity Share Capital during the year 2019-20	--
Balance as at 31 st March, 2020	24,11,861
Change in Equity Share Capital during the year 2020-21	--
Balance as at 31 st March, 2021	24,11,861

B. Other Equity

Particulars	Other Equity		Items of OCI	Total Other Equity
	General Reserve	Retained Earning	Re-measurements of Defined Benefit Obligations	
Other Equity as at 1st April, 2019	2,27,55,887	11,29,462	----	2,38,85,349
Add : Profit for the financial year 2019-20	----	13,227	----	13,227
Add : Other Comprehensive Income	----	----	----	----
Total Comprehensive Income	----	13,227	----	13,227
Other Equity as at 31st March, 2020	2,27,55,887	11,42,689	----	2,38,98,576
Add : Loss for the financial year 2020-21	----	(43,78,668)	----	(43,78,668)
Add : Other Comprehensive Income	----	----	----	----
Total Comprehensive Income	----	(43,78,668)	----	(43,78,668)
Less : Transfer to General Reserve	----	32,35,979	----	32,35,979
Add : Transfer from Retained Earnings	(32,35,979)	----	----	(32,35,979)
Other Equity as at 31st March, 2021	1,95,19,908	----	----	1,95,19,908

MADRAS CHIPBOARD LIMITED
CASHFLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021

	2020-21	(Amount in Rupees) 2019-20
A. Cash flow from Operating Activities		
Net Profit/(loss) before Tax	(44,18,041)	16,095
Adjustments for :		
Depreciation	2,72,971	2,77,812
Profit on Sale of Fixed Assets	2,51,712	-
Finance Cost	-	24,339
Bad Debts Provision/Written Off	3,71,989	508
Interest Received	(4,71,488)	(6,51,063)
Operating Profit before W.C. Charges	(39,92,857)	(3,32,309)
Movement in Working Capital		
Trade Receivables	20,30,747	3,45,082
Loans	3,04,964	(67,454)
Inventories	53,54,796	(4,11,085)
Trade Payables	7,13,270	(3,25,217)
Other Current liabilities	(4,222)	(6,89,458)
Other Current Assets	(4,50,082)	(67,410)
Cash generated from Operations	44,06,698	(14,80,441)
Income tax paid	(18,407)	(5,07,449)
Net Cash from Operating Activities	A	(20,55,300)
B. Cash flow from Investing Activities :		
Purchase of Property, Plant and Equipment	-	(7,299)
Capital Work in Progress	(5,33,867)	-
Sale of Property, Plant and Equipment	7,01,953	-
Interest received	4,71,488	6,51,063
Net Cash form / (used) in Investing Activities	B	6,43,764
C. Cash flow from Financing Activities :		
Payment of Dividend and Tax thereon	-	(3,48,344)
Finance Cost	-	(24,339)
Net Cash used in Financing Activities	C	(3,72,683)
Net Increase / Decrease in Cash and Cash Equivalents	A + B + C	(17,84,219)
Opening balance of Cash and Cash Equivalents	D	1,23,24,932
Closing balance of Cash and Cash Equivalents	E	1,05,40,713
Net Increase / Decrease in Cash and Cash Equivalents	E-D	(17,84,219)

As per our report annexed
For M.S. Jagannathan & N. Krishnaswami
Chartered Accountants
Firm Registration No. 001208S

R. Sundarasudarsan
Partner
Membership No. 247447
Trichy.

Rajapalayam.
03rd May 2021

For and an behalf of the Board

N.K. Ramasuwami Raja
Director
DIN : 00432698

P.J. Ramkumar Rajha
Director
DIN : 00487193

MADRAS CHIPBOARD LIMITED

Notes Forming Part of Financial Statements

1. Corporate Information

Madras Chipboard Limited is a Public Limited Company domiciled and headquartered in India and incorporated under the provisions of Companies Act. The Registered office of the Company is located at Factory Premises, No 53, Annamaraja Nagar, Sankarankoil Road, Rajapalayam – 626 117, Tamil Nadu.

The Company is principally engaged in manufacture of Flush Doors.

The financial statements of the Company for the year ended 31st March, 2021 were approved and adopted by Board of Directors of the Company in their meeting dated 03rd May, 2021

2. Basis of Preparation of Separate Financial Statements

- (i) The financial statements for the period upto 31st March, 2020 were prepared in accordance with Accounting Standards notified under section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). Pursuant to the mandatory requirement for adoption of Ind AS as notified by MCA, the Company has prepared its financial statements for the year ended 31st March, 2021 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended from time to time. The comparative figures in the financial statements with respect to the previous year have been restated in accordance with Ind AS requirements. While preparing these financials statements, the Company has first prepared its opening Balance sheet as at 1st April, 2019 the date of transition to Ind AS.
- (ii) The significant accounting policies used in preparing the financial statements are set out in Note No. 5.
- (iii) An asset is classified as current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle or held primarily for the purpose of trading or expected to be realised within 12 months after the reporting period or cash or cash equivalents unless restricted from being exchanged or used to settle a liability 12 months after the reporting period. All other assets are classified as non-current.
- (iv) A liability is classified as current when it is expected to be settled in normal operating cycle or held primarily for the purpose of trading or due for settlement within 12 months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

MADRAS CHIPBOARD LIMITED

- (v) The Company has considered its operating cycle as 12 months for the purpose of Current or Non-current classification of assets and liabilities.
- (vi) The financial statements are presented in Indian Rupees rounded to the nearest Lakhs with two decimals. The amount below the round off norm adopted by the Company is denoted as Rs.0.00 Lakhs.

3. First time adoption of Ind AS

The financial statements for the year ended 31st March, 2021 are the first financial statements prepared in accordance with Ind AS. The Reconciliation and description of the effect of transition from previous GAAP to Ind AS on Equity, Statement of Profit and Loss and Cash flow are provided in Note No . The Balance sheet as on the date of transition has been prepared in accordance with Ind AS 101 - First time adoption of Indian Accounting Standards (Ind AS). All applicable Ind AS were applied consistently and retrospectively in preparation of the first Ind AS Financial Statements with certain mandatory exceptions and voluntary exemptions for the specific cases as provided under Ind AS 101.

The mandatory exceptions for retrospective application as provided under Ind AS 101 are as below:

Mandatory Exceptions under Ind AS 101	Applicability / Compliance
Estimates	
The estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP unless there is objective evidence that those estimates were in error.	The Company has not made any changes to estimates made in accordance with previous GAAP.
Derecognition of previously recognised financial assets/financial liabilities	
An entity shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.	The Company has applied the de-recognition requirements prospectively.

MADRAS CHIPBOARD LIMITED

Hedge accounting	
<p>At the date of transition to Ind AS, an entity shall measure all derivatives at fair value and eliminate all deferred losses and gains arising on derivatives that were reported in accordance with previous GAAP as if they were assets or liabilities.</p> <p>An entity shall not reflect in its opening Ind AS Balance Sheet a hedging relationship that does not qualify for hedge accounting in accordance with Ind AS 109.</p>	<p>The Company has measured derivatives at fair value through Profit or loss.</p> <p>The Company does not have any hedging relationship that meets the qualifying criteria for Hedge accounting.</p>
Classification and measurement of financial assets	
<p>Classification and measurement of financial assets shall be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS.</p>	<p>The Company has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of financial assets and accordingly has classified and measured financial assets on the date of transition.</p>
Impairment of Financial Assets	
<p>Impairment requirements under Ind AS 109 should be applied retrospectively based on the reasonable and supportable information that is available on transition date without undue cost or effort.</p>	<p>The Company has applied impairment requirements retrospectively.</p>

MADRAS CHIPBOARD LIMITED

The voluntary exemptions for retrospective application as provided under Ind AS 101 are as below:

Voluntary Exemption under Ind AS 101	Applicability / Option exercised
Deemed Cost	
<p>An entity may elect to measure an item of property, plant and equipment, investment property and intangible asset at the date of transition to Ind AS at its fair value and use that fair value as deemed cost at that date or may measure the items of property, plant and equipment, intangibles by applying Ind AS retrospectively or use the carrying amount under Previous GAAP on the date of transition as deemed cost.</p>	<p>The Company has opted to continue with the carrying amount for all of its property, plant and equipment and intangible assets measured as per Previous GAAP and use that as its deemed cost as at the date of transition.</p>
Investments in Subsidiary and Associates	
<p>An entity is required to account for its investments in subsidiaries, joint ventures and associates either</p> <p>(a) at cost; or</p> <p>(b) in accordance with Ind AS 109.</p> <p>Such cost shall be cost as per Ind AS 27 or deemed cost. The deemed cost of such an investment shall be its fair value on the date of transition to Ind AS or Previous GAAP carrying amount at that date.</p>	<p>The Company has opted to measure its investment in associates as per the previous GAAP carrying amount as at the date of transition to Ind AS.</p>
Designation of previously recognised financial instruments	
<p>An entity may designate an investment in an equity instrument as at fair value through other comprehensive income (FVTOCI) in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.</p>	<p>The Company has designated all equity instruments in companies other than subsidiaries / associates at FVTOCI, based on the assessment made on the date of transition to Ind AS.</p>

MADRAS CHIPBOARD LIMITED

4. Basis of Measurement

The financial statements have been prepared on accrual basis under historical cost convention except for certain financial instruments (Refer Note 5 - Accounting Policy for Financial Instruments) which are measured at fair value.

5. Significant Accounting Policies

A. Inventories

- (i) Raw-materials, Stores & Spares, Fuel, Packing materials etc., are valued at cost, including the cost incurred in bringing the inventories to their present location and condition after providing for obsolescence and other losses or net realisable value whichever is lower. However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost.
- (ii) Process stock is valued at cost including the cost of conversion with systematic allocation of production and administration overheads, or net realisable value whichever is lower.

B. Cash Flow Statement

- (i) Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.
- (ii) Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of 3 months or less, highly liquid investments that are readily convertible into cash.

C. Income Taxes

- (i) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates, the provisions of the Income Tax Act, 1961 and other applicable tax laws.
- (ii) Current tax assets and liabilities are offset, when the Company has legally enforceable right to set off the recognised amounts and intends to settle the asset and the liability on a net basis.
- (iii) Deferred tax is recognised using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date.
- (iv) Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year where the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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- (v) Both current tax and deferred tax relating to items recognised outside the Profit or Loss is recognised either in "Other Comprehensive Income" or directly in "Equity" as the case may be.
- (vi) Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by same governing tax laws and the Company has legally enforceable right for such set off.

D. Property, plant and equipments (PPE)

- (i) PPEs are stated at cost of acquisition or construction (net of CENVAT / VAT/ GST wherever applicable) less accumulated depreciation and impairment losses if any, except freehold land which is carried at cost. The cost comprises of purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.
- (ii) The Company has opted to use previous GAAP carrying amount as Deemed cost as at the date of transition to Ind AS (i.e as on 1st April, 2019).
- (iii) The Company identifies the significant parts of plant and equipment separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de-recognised. When each major inspection/overhauling is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection/overhauling (as distinct from physical parts) is de-recognised.
- (iv) Other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria in accordance with Ind AS 16 are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.
- (v) Capital Expenditure on tangible assets for research and development is classified as PPE and is depreciated based on the estimated useful life. Other expenditure incurred for research and development are expensed under the heads of accounts in the year in which it is incurred.
- (vi) PPEs are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains or losses arising from disposal, measured as the difference between the net disposal proceeds and the carrying amount of such assets, are recognised in the Statement of Profit and Loss.

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- (vii) Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value, except for process control systems whose residual value is considered as Nil.
- (viii) Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded / sold.
- (ix) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

E. Revenue Recognition

- (i) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The specific recognition criteria described below must also be met before revenue is recognised.

(ii) Revenue from Operations

a) Sale of products

Revenue is recognised at the fair value of consideration received or receivable upon transfer of significant risks and rewards of ownership of goods which generally coincides with the delivery of goods. It comprises of invoice value of goods, after deducting discounts, volume rebates and applicable taxes on sale.

(iii) Other Income

- a) Interest income is recognised using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period where appropriate, to the gross carrying amount of the financial asset.
- b) Scrap sales is recognised at the fair value of consideration received or receivable upon transfer of significant risk and rewards. It comprises of invoice value of goods including excise duty and after deducting applicable taxes on sale.

F. Employee Benefits

- (i) Short-term employee benefits viz., Salaries and Wages are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

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- (ii) Defined Contribution Plan viz., Contributions to Provident Fund is recognized as an expense in the Statement of Profit and Loss for the year in which the employees have rendered services.
- (iii) The Company contributes monthly to Employees' Provident Fund & Employees' Pension Fund administered by the Employees' Provident Fund Organisation, Government of India, at 12% of employees' basic salary. The Company has no further obligations.
- (iv) The Company has its own Defined Benefit Plan viz., and approval is awaited. It is in the form of lump sum payments to vested employees on resignation, retirement, death while in employment or on termination of employment, for an amount equivalent to 15 days' basic salary for each completed year of service. Vesting occurs upon completion of five years of continuous service. The Company makes annual contributions to "Madras Chipboard Limited Employees' Gratuity Fund" administered by trustees and managed by LIC of India, based on the Actuarial Valuation by an independent external actuary as at the Balance Sheet date using Projected Unit Credit method.
- (v) The Company provides for expenses towards compensated absences provided to its employees. The expense is recognized at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance Sheet date, using Projected Unit Credit method.
- (vi) Re-measurement of net defined benefit asset / liability comprising of actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to 'Other Comprehensive Income' in the period in which they arise and immediately transferred to retained earnings. Other costs are accounted in the Statement of Profit and Loss.

G. Foreign currency transactions

- (i) Transaction in Foreign Currency are accounted at the exchange rates prevailing at the time of transaction. The difference in exchange rates arising on the settlement of monetary items are recognised as income or expenses in the Statement of Profit and Loss.

H. Borrowing Costs

- (i) Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
- (ii) Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of

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borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings cost are expensed in the period in which they occur.

I. Earnings per Share

- (i) Earnings per share is calculated by dividing the Net profit / (Loss) after tax by the weighted average number of equity shares outstanding during the year.
- (ii) Where an item of income or expense which is otherwise required to be recognised in the Statement of Profit and Loss is debited or credited to Equity, the amount in respect thereof is suitably adjusted in Net profit / (Loss) for the purpose of computing Earnings per share.

J. Impairment of Non-Financial Assets

- (i) The carrying values of non-financial assets are reviewed for impairment at each Balance Sheet date, if there is any indication of impairment based on internal and external factors.
- (ii) Non-financial assets are treated as impaired when the carrying amount of such asset exceeds its recoverable value. After recognition of impairment loss, the depreciation /amortisation for the said assets is provided for remaining useful life based on the revised carrying amount, less its residual value if any, on straight line basis.
- (iii) An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.
- (iv) An impairment loss is reversed when there is an indication that the impairment loss may no longer exist or may have decreased.

K. Provisions, Contingent Liabilities and Contingent Assets

- (i) Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits in respect of which a reliable estimate can be made.
- (ii) Provisions are discounted if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

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- (iii) Insurance claims are accounted on the basis of claims admitted or expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection. Any subsequent change in the recoverability is provided for. Contingent Assets are neither recognised nor disclosed.
- (iv) Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognised but disclosed in the financial statements.

L. Intangible Assets

- (i) The costs of computer software acquired and its subsequent improvements are capitalised. Internally generated software is not capitalized and the expenditure is recognized in the Statement of Profit and Loss in the year in which the expenditure is incurred.
- (ii) Intangible Assets are amortised over their estimated useful life on straight line method. The estimated useful lives of intangible assets are assessed by the internal technical team:

Nature of Intangible Assets	Estimated useful life
Computer Software	6 years

- (iii) The intangible assets that are under development phase are carried at cost including related expenses and attributable interest, and are recognised as Intangible assets under development.
- (iv) The residual values, useful lives and methods of depreciation of intangible asset are reviewed at each reporting date and adjusted prospectively, if appropriate.

M. Operating Segments

The Company has no separate reportable segments.

N. Financial Instruments

- (i) A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.
- (ii) Financial assets and liabilities are offset and the net amount is presented in the Balance sheet when and only when the Company has a legal right to offset the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

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- (iii) The Company initially determines the classification of financial assets and liabilities. After initial recognition, no re-classification is made for financial assets which are categorised as equity instruments at FVTOCI and financial assets / liabilities that are specifically designated as FVTPL. However, other financial assets are re-classifiable when there is a change in the business model of the Company. When the Company reclassifies the financial assets, such reclassifications are done prospectively from the first day of the immediately next reporting period. The Company does not restate any previously recognised gains, losses including impairment gains or losses or interest.

O. Financial Assets

- (i) Financial assets comprise of investments in equity, trade receivables, cash and cash equivalents and other financial assets.
- (ii) Depending on the business model (i.e) nature of transactions for managing those financial assets and its contractual cash flow characteristics, the financial assets are initially measured at fair value and subsequently measured and classified at:
- Amortised cost; or
 - Fair value through other comprehensive income (FVTOCI); or
 - Fair value through profit or loss (FVTPL)

Amortised cost represents carrying amount on initial recognition at fair value plus or minus transaction cost.

- (iii) The Company has evaluated the facts and circumstances on date of transition to Ind AS for the purpose of classification and measurement of financial assets. Accordingly, financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

Classification	Business Model
Amortised cost	The objective of the Company is to hold and collect the contractual cash flows till maturity. In other words, the Company do not intend to sell the instrument before its contractual maturity to realise its fair value changes.
FVTOCI	The objective of the Company is to collect its contractual cash flows and selling financial assets.

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- (iv) Investment in equity of associates are carried at cost (i.e) previous GAAP carrying amount as the date of transition to Ind AS. The Company has exercised an irrevocable option at time of initial recognition to measure the changes in fair value of other equity investments at FVTOCI. Accordingly, the Company classifies its financial assets for measurement as below:

Classification	Name of Financial Assets
Amortised cost	Trade receivables, Loans and advances to employees and related parties, deposits, IPA receivable, interest receivable, unbilled revenue and other advances recoverable in cash or kind.
FVTOCI	Equity investments in companies other than Associates as an option exercised at the time of initial recognition.

- (v) Financial assets are derecognised (i.e) removed from the financial statements, when its contractual rights to the cash flows expire or upon transfer of the said assets. The Company also derecognises when it has an obligation to adjust the cash flows arising from the financial asset with third party and either upon transfer of:
- a. significant risk and rewards of the financial asset, or
 - b. control of the financial asset
- However, the Company continue to recognise the transferred financial asset and its associated liability to the extent of its continuing involvement, which are measured on the basis of retainment of its rights and obligations of financial asset. The Company has applied the de-recognition requirements prospectively.
- (vi) Upon derecognition of its financial asset or part thereof, the difference between the carrying amount measured at the date of recognition and the consideration received including any new asset obtained less any new liability assumed shall be recognised in the Statement of Profit and Loss.
- (vii) For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done retrospectively on the following basis:

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Name of Financial asset	Impairment testing methodology
Trade receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other Financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

P. Financial Liabilities

- (i) Financial liabilities comprise of Borrowings from Banks, Debentures, Soft loan / Interest free loan from Government, Trade payables, Derivative financial instruments, Financial guarantee obligation and other financial liabilities.
- (ii) The Company measures its financial liabilities as below:

Measurement basis	Name of Financial liabilities
Trade receivables	Borrowings, Debentures, Soft Loan/Interest free loan from Government, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading.

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- (iii) Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Transaction cost of financial guarantee contracts that are directly attributable to the issuance of the guarantee are recognised initially as a liability at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization.
- (iv) Financial liabilities are derecognised when and only when it is extinguished (i.e) when the obligation specified in the contract is discharged or cancelled or expired.
- (v) Upon de-recognition of its financial liabilities or part thereof, the difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid including any non-cash assets transferred or liabilities assumed is recognised in the Statement of Profit and Loss.

Q. Fair value measurement

- (i) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
- (ii) The fair value of an asset or a liability is measured / disclosed using the assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in the economic best interest.
- (iii) All assets and liabilities for which fair value is measured are disclosed in the financial statements are categorised within fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:
 - Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities
 - Level 2: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are directly or indirectly observable.
 - Level 3: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are unobservable.
- (iv) For assets and liabilities that are recognised in the Balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period (i.e) based on the lowest

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level input that is significant to the fair value measurement as a whole.

- (v) For the purpose of fair value disclosures, the company has determined the classes of assets and liabilities based on the nature, characteristics and risks of the assets or liabilities and the level of the fair value hierarchy as explained above.

R. Significant Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

Accordingly, the management has applied the following estimates / assumptions / judgements in preparation and presentation of financial statements:

(i) Property, Plant and Equipment, Intangible Assets and Investment Properties

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by technical team duly reviewed by the management at each reporting date. Wherever the management believes that the assigned useful life and residual value are appropriate, such recommendations are accepted and adopted for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

(ii) Current Taxes

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

(iii) Deferred Tax Asset (Including MAT Credit Entitlement)

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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(iv) **Impairment of Trade receivables**

The impairment for financial assets are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

(v) **Impairment of Non-financial assets (PPE/Intangible Assets/Investment Properties)**

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

(vi) **Defined Benefit Plans and Other long term benefits**

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rate are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions.

(vii) **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

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NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE NO. 6

FIXED ASSETS : 2020-21

(Amount in Rupees)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as at 01.04.2020	Additions	Withdrawn	Cost as at 31.03.2021	Upto 31.03.2020	For the Year	With drawn	Up to 31.03.2021	As at 31.03.2021	As at 31.03.2020
Land	10,623	-	-	10,623	-	-	-	-	10,623	10,623
Buildings	54,47,595	-	-	54,47,595	33,13,417	1,02,316	-	34,15,733	20,31,863	21,34,178
Plant & Machinery	92,11,758	-	91,18,403	1,03,355	80,31,665	1,48,983	81,12,607	68,041	35,313	11,80,093
Electrical Machinery	6,71,208	-	1,38,940	5,32,268	5,75,824	7,729	1,31,997	4,51,556	80,712	95,384
Furniture & Office Equipments	2,24,401	-	1,01,081	1,23,320	2,04,606	2,929	96,239	1,11,296	12,024	19,795
Vehicles	19,57,730	-	9,66,424	9,91,306	18,26,421	11,014	9,07,236	9,30,199	61,107	1,31,309
Total	1,75,23,315	-	1,03,14,848	72,08,467	1,39,51,933	2,72,971	92,48,079	49,76,825	22,31,642	35,71,382

FIXED ASSETS : 2019-20

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as at 01.04.2019	Additions	With drawn	Cost as at 31.03.2020	Upto 31.03.2019	For the Year	With drawn	Up to 31.03.2020	As at 31.03.2020	As at 31.03.2019
Land	10,623	-	-	10,623	-	-	-	-	10,623	10,623
Buildings	54,47,595	-	-	54,47,595	32,05,465	1,07,952	-	33,13,417	21,34,178	22,42,130
Plant & Machinery	92,11,758	-	-	92,11,758	78,82,679	1,48,986	-	80,31,665	11,80,093	13,29,079
Electrical Machinery	6,71,208	-	-	6,71,208	5,68,096	7,728	-	5,75,824	95,384	1,03,112
Furniture & Office Equipments	2,15,151	9,250	-	2,24,401	2,04,606	-	-	2,04,606	19,795	10,545
Vehicles	19,96,746	-	39,016	19,57,730	18,50,340	13,146	37,065	18,26,421	1,31,309	1,46,406
Total	1,75,53,081	9,250	39,016	1,75,23,315	1,37,11,186	2,77,812	37,065	1,39,51,933	35,71,382	38,41,895

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Notes Forming Part of Financial Statements

	As at 31.03.2021	As at 31.03.2020	(Amount in Rupees) As at 31.03.2019
Note No. 7			
Capital Work In Progress			
Building Construction	5,33,867	-	-
	<u>5,33,867</u>	-	-
Note No. 8			
Deferred Tax Asset			
Deferred Tax Assets	1,77,050	-	-
	<u>1,77,050</u>	-	-
Note No. 9			
Inventories			
Raw Materials	34,11,425	77,04,189	80,27,028
Stores and Spares	1,14,797	5,13,698	4,03,229
Process Stock	-	6,63,131	39,676
	<u>35,26,222</u>	<u>88,81,018</u>	<u>84,69,933</u>
Note No. 10			
Trader Receivable			
Unsecured, Considered good or Outstanding			
Trade Receivables more than Six months	8,74,192	24,58,757	28,14,313
Trade Receivables less than Six months	3,79,189	11,97,360	11,87,394
Trade Receivables, Doubtful	3,67,468	-	-
Provision for bad and doubtful Trade Receivables	<u>(3,67,468)</u>	-	-
	<u>12,53,381</u>	<u>36,56,117</u>	<u>40,01,707</u>
Note No. 11			
Cash And Bank Balance			
Cash on Hand	18,137	35,819	38,719
Balance with Bank			
In Current Account	1,47,63,681	5,67,736	34,05,231
In Deposit Account	-	96,00,000	85,00,000
In Unclaimed Dividend Warrant Account	-	-	3,80,982
	<u>1,47,81,818</u>	<u>1,02,03,555</u>	<u>1,23,24,932</u>
Note No. 12			
Bank Balance Other Than Cash And Equivalents			
Unclaimed Dividend Warrant Account	3,36,678	3,37,158	-
	<u>3,36,678</u>	<u>3,37,158</u>	-

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	(Amount in Rupees)		
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2019
Note No. 13			
Loans And Advances			
Unsecured, Considered Good			
Advanced to Suppliers or Others	29,583	98,765	31,311
Advance Income Tax and TDS and Refund Due	37,277	5,45,280	3,69,155
	66,860	6,44,045	4,00,466
Note No. 14			
Other Current Assets			
Interest Accrued on Deposit	-	2,89,899	2,72,889
Security Deposits	2,99,343	2,99,343	-
Prepaid Expenses	50,497	1,03,212	54,757
Other Current Assets	6,36,904	- 14,482	57,60,668
	9,86,744	6,77,972	60,88,314
Note No. 15			
Share Capital			
Authorised :			
25,000 Equity Shares of Rs.100/- each (PY 25,000 Equity Shares of Rs.100/-each)	25,00,000	25,00,000	25,00,000
Issued, Subscribed and Paid-up			
24,186 Equity Shares of Rs.100/- each (PY 24,186 Equity Shares of Rs.100/- each)	24,18,600	24,18,600	24,18,600
Less : Calls in arrears from persons other than Directors (Time Barred)	6,739	6,739	6,739
	24,11,861	24,11,861	24,11,861

Reconciliation of the number of shares outstanding

Particulars	As at 31-03-2021		As at 31-03-2020		As at 31-03-2019	
	No.of Shares	Amount	No.of Shares	Amount	No.of Shares	Amount
Number of Equity at the beginning of the year	24,186	24,18,600	24,186	24,18,600	24,186	24,18,600
Issued during the year	-	-	-	-	-	-
Number of Equity shares at the end of the year	24,186	24,18,600	24,186	24,18,600	24,186	24,18,600

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(Amount in Rupees)

As at 31.03.2021 As at 31.03.2020 As at 31.03.2019

c. Details of Shareholders holding more than 5 percent in the Company

Particulars	As at 31-03-2021		As at 31-03-2020		As at 31-03-2019	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
The Ramaraju Surgical Cotton Mills Limited	15,644	64.68	-	-	-	-
N.K. Ramasuwami Raja	40	0.17	6,860	28.37	6,860	28.37
N.R.K. Venkatesh Raja	10	0.01	1,477	6.11	1,477	6.11
N.R.K. Ramkumar Raja	50	0.21	1,352	5.59	1,352	5.59
N.R. Radha	-	-	1,469	6.07	1,469	6.07

Note No. 16

Reserves And Surplus

General Reserve

Opening Balance	2,27,55,887	2,27,55,887	2,25,05,887
Less : Depreciation-Earlier Years (Depreciation relating to assets whose useful life is Nil)	-	-	-
	<u>2,27,55,887</u>	<u>2,27,55,887</u>	<u>2,25,05,887</u>
Add: Transfer from Surplus Account	<u>(32,35,979)</u>	-	<u>2,50,000</u>
	<u>1,95,19,908</u>	<u>2,27,55,887</u>	<u>2,27,55,887</u>

Surplus in the Statement of Profit and Loss

Opening balance	11,42,689	11,29,463	3,80,584
Add : Loss for the year	(43,78,668)	13,227	13,47,222
Add : Excess IT Provision	-	-	-
Less : Appropriations	-	-	-
Dividend	-	-	2,89,423
Tax on Dividend	-	-	58,921
Transfer to General Reserve	(32,35,979)	-	2,50,000
Closing Balance	-	<u>11,42,689</u>	<u>11,29,462</u>
	<u>1,95,19,908</u>	<u>2,38,98,576</u>	<u>2,38,85,349</u>
	<u>1,95,19,908</u>	<u>2,38,98,576</u>	<u>2,38,85,349</u>

Note No.17

Long Term Provisions

Provision for Employee Benefits	-	-	54,77,752
	-	-	<u>54,77,752</u>

MADRAS CHIPBOARD LIMITED

	As at 31.03.2021	As at 31.03.2020	(Amount in Rupees) As at 31.03.2019
Note No.18			
Deferred Tax Liabilities			
Tax effect of difference between book depreciation and IT Depreciation	-	4,03,975	4,05,037
	-	4,03,975	4,05,037
Note No.19			
Trade Payables			
i) Total outstanding dues of micro Enterprises and small Enterprises	-	-	-
ii) Total outstanding dues of Creditors other than micro Enterprises and small Enterprises	-	-	-
Raw Materials Creditors	-	-	-
Other Creditors	7,32,685	19,415	3,44,632
	7,32,685	19,415	3,44,632
Terms and conditions			
There are no dues to micro and small enterprises as at 31 st March, 2021 (PY : Rs. NIL). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.			
Note No.20			
Other Current Liabilities			
Unclaimed Dividends	3,36,678	3,37,158	3,80,988
Other Payables	8,93,130	8,96,872	15,42,500
	12,29,808	12,34,030	19,23,488
Note No.21			
Provisions			
Proposed Dividend	-	-	2,89,423
Provision for Tax on Proposed Dividend	-	-	58,921
	-	-	3,48,344

MADRAS CHIPBOARD LIMITED

	As at 31.03.2021	(Amount in Rupees) As at 31.03.2020
Note No. 22		
Revenue From Operations		
Sale of Products		
Flush Door	1,15,93,614	1,76,49,163
Wood Fibre Panel Door	28,22,597	53,73,971
	<u>1,44,16,211</u>	<u>2,30,23,134</u>
Note No. 23		
Other Income		
Interest Received	4,71,488	6,51,063
Interest on IT Refund	-	-
Miscellaneous Income	7,83,122	1,174
	<u>12,54,610</u>	<u>6,52,237</u>
Note No. 24		
Cost Of Materials Consumed		
Raw Materials consumed	67,87,129	1,10,70,212
Stores consumed	5,93,141	5,88,272
	<u>73,80,270</u>	<u>1,16,58,484</u>
Note No. 25		
Changes In Inventories Of Work In Progress		
Changes In Inventories Of Work In Progress	6,63,131	(6,23,455)
	<u>6,63,131</u>	<u>(6,23,455)</u>
Note No. 26		
Employee Benefit Expenses		
Salaries, Wages and Bonus	53,72,153	61,86,870
Contribution to Provident and Other Funds	8,69,406	16,53,015
Staff and Labour Welfare Expenses	87,354	91,320
	<u>63,28,913</u>	<u>79,31,205</u>
Note No. 27		
Fiance Cost		
Interest Expenses	-	24,339
Note No. 28		
Other Expenses		
Manufacturing Expenses		
Power and Fuel	1,96,492	12,18,026
Repairs to buildings	2,54,762	2,07,192
Repairs to Plant and Machinery	6,29,305	3,29,269
Repairs - General	8,684	8,765
	<u>10,89,243</u>	<u>17,63,252</u>

MADRAS CHIPBOARD LIMITED

	As at 31.03.2021	(Amount in Rupees) As at 31.03.2020
Establishment Expenses		
Managing Director's Remuneration	5,79,000	7,20,000
Rates & Taxes	41,425	79,808
Impairment	18,27,228	-
Postage and Telephone	1,33,879	1,30,956
Printing and Stationery	1,21,516	95,407
Travelling Expenses	16,688	1,26,771
Vehicle Maintenance	2,71,252	3,41,167
Insurance	60,207	54,757
Directors Sitting Fees	1,45,000	1,05,000
Rent	-	1,50,000
Legal Expenses	1,56,124	86,741
Miscellaneous Expenses	1,81,000	65,437
Bad Debts Written Off	3,71,989	508
	39,05,368	19,56,552
Selling Expenses		
Sales Commission and Discounts	71,649	1,00,656
Sales Promotion Expenses	76,925	61,375
Other Selling Expenses	2,17,469	4,49,106
	3,66,043	6,11,497
Tax Audit Fee and Expenses Fee		
As Auditor		
Audit Fee	29,500	29,500
Tax Audit Fee	44,573	21,240
GST Audit Fee	8,850	8,850
	82,923	59,590
Total Other Expenses	54,43,577	43,90,891
Non Printing Schedules		
Depreciation	1,25,522	-
	1,25,522	-
Current Tax	-	3,930
	-	3,930
Deferred Tax	(5,81,025)	(1,062)
	(5,81,025)	(1,062)

MADRAS CHIPBOARD LIMITED

(Amount in Rupees)

2020-21 2019-20

Note No. 29

As per Ind AS 19, the disclosure pertaining to "Employee Benefits" are given below:

Defined Contribution Plan :

Employer's Contribution to Provident Fund	2,85,868	3,82,394
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Details of the post retirement gratuity plan (Funded) are as follows:

Movements in the present value of define benefit obligation:

Opening defined Benefit Obligation	60,87,139	54,77,752
Current Service	2,24,458	2,11,404
Cost Interest Cost	3,25,184	3,97,272
Actuarial (gain) / loss	28,53,827	4,60,264
Befefits Paid	23,50,001	(4,59,553)
Closing Defined Benefit obligation	14,32,953	60,87,139

Movement in the present value of plan assets:

Opening fair value of plan assets	60,31,664	54,43,668
Expected return on plan assets	3,27,325	4,18,562
Actuarial gain / (loss)	95,476	(1,681)
Employer Contribution	1,75,651	6,30,667
Benefits paid	23,50,001	(4,59,553)
Closing fair value of plan assets	42,80,115	60,31,664

MADRAS CHIPBOARD LIMITED

(Amount in Rupees)

2020-21 2019-20

The amount included in the Statement of Financial position arising from the entity's obligation in respect of its define benefit plans:

Fair value of plan assets	42,80,115	60,31,664
Present value of obligation	14,32,953	60,87,139
Present value of Funded defined obligation	(28,47,162)	55,475

Cost of define benefit plan :

Current Service Cost	2,24,458	2,11,404
Interest Cost	3,25,184	3,97,272
Net Cost Recognized in the Income Statement	5,49,642	6,08,676
Expected return on plan assets (To the extent it does not represent an adjustment to Interest Cost)	3,27,325	4,18,562
Actuarial (gain) / loss	95,476	(1,681)
Net Cost recognized in the Other Comprehensive Income	4,22,801	4,16,881

Major Categories of Plan Assets:

	31/03/2021	31/03/2020
GOI Securities	-	-
Funds with LIC	42,80,115	60,31,664
Others	-	-
Total	42,08,115	60,31,664

Actuarial assumptions:

Discount rate p.a	6.62%	6.85%
Rate of escalation in salary p.a	5.00%	5.00%

Estimate of Expected Benefit payments :

Particulars	31-03-2021	31-03-2020
Year 1	75,910	2,07,253
Year 2	10,52,996	20,29,244
Year 3	9,143	1,17,562
Year 4	9,734	11,18,256
Year 5	10,475	4,26,632
Next 5 Years	1,23,939	16,79,000

MADRAS CHIPBOARD LIMITED

Quantitative Sensitivity Analysis for Significant Assumptions :

Particulars	31-03-2021	31-03-2020
0.50% Increase in Discount Rate	13,93,019	58,75,799
0.50% Decrease in Discount Rate	14,76,049	63,13,470
0.50% Increase in Salary Growth Rate	14,77,147	63,02,598
0.50% Decrease in Salary Growth Rate	13,91,659	58,85,087

Note No.30

Earning per Share

Particulars	31-03-2021	31-03-2020
Net profit /(Loss) after tax (Rs. in Lakhs) (A)	(43,78,668)	13,227
Weighted average number of Equity shares [In Lakhs] (B)	24,186	24,186
Nominal value per equity share (in Rs)	100	100
Basic & Diluted Earnings per share (A)/(B) in Rs.	(181.04)	0.55

Note No.31

Related Party Transactions

Information on names of Related parties and nature of Relationship as required by Ind AS 24 on Related party disclosures for the year ended 31st March, 2021:

Key Management Personnel & Relatives:

Shri. N.K.Ramasuwami Raja, Director

Shri. D. Swarnalakshmi, Director, Daughter of Shri. N.K. Ramasuwami Raja

Shri. S.J. Srikanth, Director, Son in law of Shri. N.K. Ramasuwami Raja

Shri. N.R.K. Ramkumar Raja, Director

Smt. Nalina Ramalakshmi, Director

a. Company's Related parties are given below:

M/s.The Ramaraju Surgical Cotton Mills Limited

b. Employee Benefit Funds where control exists

Madras Chipboard Ltd Employees' Gratuity Fund

Enterprises over which the above persons exercise significant influences and with which Company had transactions during the year

M/s. Rajapalayam Mills Ltd

P.A.C.R. Sethurammam Charities

Smt. Lingammal Ramaraju Sasthiraprathista Trust

P.A.C. Ramasamy Raja Education Charity Trust

MADRAS CHIPBOARD LIMITED

The Company's transactions with the above related parties are given below.

Amount paid to Key Managerial Personnel:

(Amount in Rupees)

Name of the Related Party	Amount 2020-21	Amount 2019-20	Nature of Payment
Shri. N.K. Ramasuwami Raja	5,79,000	7,20,000	Managerial Remuneration
	25,000	20,000	Sitting Fees
Smt. D. Swarnalukshme	25,000	15,000	Sitting Fees
Shri. S.J. Srikanth	20,000	20,000	Sitting Fees
Smt. S. Praveena Sethulakshmi	-	1,50,000	Rent
Shri. N.R.K. Ramkumar Raja	5,000	-	Sitting Fees

Disclosure in respect of Related Party Transactions (excluding Reimbursements) during the year and outstanding balances including commitments as at the reporting date:

i) Cost of Goods & Services purchased / availed

(Amount in Rs.)

Name of the Related Party	Value	
	2020-21	2019-20
M/s. Rajapalayam Textiles Ltd	6,852	5,705
M/s. Sudarsanam Fabrics	-	22,382
M/s. The Ramaraju Surgical Cotton Mills Ltd	92,268	8,153
M/s. Sudarsanam Spinning Mills	9,519	-
M/s. Rajapalayam Mills Ltd	10,963	30,136

Note No. 32

Disclosure of Fair value measurements

The fair values of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to their short term maturities of these instruments.

MADRAS CHIPBOARD LIMITED

Financial Instruments by category

(Amount in Rupees)

Particulars	Amortised Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
As at 31-03-2021					
Financial Assets					
Trade Receivables	12,53,381	-	-	12,53,381	12,53,381
Cash and Bank Balance	1,47,81,818	-	-	1,47,81,818	1,47,81,818
Financial Liabilities					
Borrowings	-	-	-	-	-
Trade Payables	7,32,685	-	-	7,32,685	7,32,685
Other Financial Liabilities	-	-	-	-	-
As at 31-03-2020					
Financial Assets					
Trade Receivables	36,56,117	-	-	36,56,117	36,56,117
Cash and Bank Balance	1,02,03,555	-	-	1,02,03,555	1,02,03,555
Other Financial Liabilities	-	-	-	-	-
Financial Liabilities					
Borrowings	-	-	-	-	-
Trade Payables	19,415	-	-	19,415	19,415
Other Financial Liabilities	-	-	-	-	-
As at 31-03-2019					
Financial Assets					
Trade Receivables	40,01,706	-	-	40,01,706	40,01,706
Cash and Bank Balance	1,23,38,962	-	-	1,23,38,962	1,23,38,962
Other Financial Assets	-	-	-	-	-
Financial Liabilities					
Borrowings	-	-	-	-	-
Trade Payables	3,44,632	-	-	3,44,632	3,44,632
Other Financial Liabilities	-	-	-	-	-

Note No.33

Financial Risk Management

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Company's risk management framework and thus established a risk management policy to identify and analyse the risk faced by the Company. Risk Management systems are reviewed by the BOD periodically to reflect changes in market conditions and the Company's activities. The Company through its training and management standards and procedures develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

MADRAS CHIPBOARD LIMITED

The Company has the following financial risks:

Categories of Risk	Nature of Risk
Credit Risk	Receivables
	Financial Instruments and Cash deposits
Liquidity Risk	Fund Management
Market Risk	Foreign Currency Risk
	Cash flow and fair value interest rate risk

The Board of Directors regularly reviews these risks and approves the risk management policies, which covers the management of these risks:

Credit Risk

Credit Risk is the risk of financial loss to the Company if the customer or counterparty to the financial instruments fails to meet its contractual obligations and arises principally from the Company's receivables and other operations that are in the nature of lease.

Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Company extends credit to its customers in the normal course of business by considering the factors such as financial reliability of customers. The Company evaluates the concentration of the risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. In case of Corporate / Export Customer, credit risks are mitigated by way of enforceable securities. However, unsecured credits are extended based on creditworthiness of the customers on case to case basis.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company and where there is a probability of default, the company creates a provision based on Expected Credit Loss for trade receivables under simplified approach.

Financial Instruments and Cash deposits

Investments of surplus funds are made only with the approved counterparties. The Company is presently exposed to counter party risk relating to short term and medium term deposits placed with Banks. The Company places its cash equivalents based on the creditworthiness of the financial institutions.

MADRAS CHIPBOARD LIMITED

Liquidity Risk

Liquidity Risks are those risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the company's operations and to mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available. The Company has laid well defined policies and procedures facilitated by robust information system for timely and qualitative decision making by the management including its day to day operations.

Cash flow and fair value interest rate risk

Interest rate risk arises from long term borrowings with variable rates which exposed the company to cash flow interest rate risk. The Company's fixed rate borrowing are carried at amortized cost and therefore are not subject to interest rate risk as defined in Ind AS 107 since neither the carrying amount nor the future cash flows will fluctuate because of the change in market interest rates. The Company is exposed to the evolution of interest rates and credit markets for its future refinancing, which may result in a lower or higher cost of financing, which is mainly addressed through the management of the fixed/floating ratio of financial liabilities. The Company constantly monitors credit markets to strategize a well-balanced maturity profile in order to reduce both the risk of refinancing and large fluctuations of its financing cost. The Company believes that it can source funds for both short term and long term at a competitive rate considering its strong fundamentals on its financial position.

MADRAS CHIPBOARD LIMITED

Note No.34

Disclosures as Required by Ind AS 101 First Time Adoption of Indian Accounting Standards
Reconciliation of Balance sheet as at the date of transition (1st April, 2019) (Amount in Rupees)

Particulars	Previous GAAP	Transition Adjustment	Ind AS
Assets			
Non-Current Assets Property, Plant Equipment Capital Work in Progress	-	-	-
Tangible Assets	-	-	-
Investment Property	38,41,895	-	-
Investments accounted for using the Equity method	-	-	-
Financial Assets			
Other Investment	-	-	-
Loans and Advances	-	-	-
Other Financial Assets	-	-	-
Other Non-Current Assets	-	-	-
Deferred Tax Asset			
Current Assets			
Inventories	84,69,933	-	84,69,933
Financial Assets			
Trade Receivables	40,01,706	-	40,01,706
Cash and Cash Equivalents	1,23,38,962	-	1,23,38,962
Loans and Advances	4,00,467	-	4,00,467
Other Financial Assets	-	-	-
Other Current Assets - Tax Asset	60,74,284	-	60,74,284
Total Assets	3,51,27,247		3,51,27,247
Equity & Liability			
Equity			
Equity Share Capital	24,11,861	-	24,11,861
Reserves & Surplus	2,38,85,349	-	2,38,85,349
	2,62,97,210	-	2,62,97,210
Non-Current Liabilities			
Financial Liabilities			
Borrowings			
Provisions	54,77,752	-	54,77,752
Deferred Tax Liabilities	4,05,037	-	4,05,037
	58,82,789	-	58,82,789

MADRAS CHIPBOARD LIMITED

Particulars	Previous GAAP	Transition Adjustment	Ind AS
Current Liabilities			
Financial Liabilities			
Borrowings	-	-	-
Trade Payables	3,44,632	-	3,44,632
Other Financial Liabilities	19,23,488	-	19,23,488
Provisions	6,79,128	-	6,79,128
	29,47,248	-	29,47,248
Total Equity and Liabilities	3,51,27,247	-	3,51,27,247

Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2020

Assets			
Non-Current Assets			
Property, Plant Equipment	-	-	-
Capital Work in Progress	-	-	-
Tangible Assets	35,71,382	-	-
Investment Property	-	-	-
Investments accounted for using the Equity method	-	-	-
Financial Assets	-	-	-
Other Investment	-	-	-
Loans and Advances	-	-	-
Other Financial Assets	-	-	-
Deferred Tax Asset			
Current Assets			
Inventories	88,81,018	-	88,81,018
Financial Assets	-	-	-
Trade Receivables	36,56,117	-	36,56,117
Cash and Cash Equivalents	1,02,03,555	-	1,02,03,555
Loans and Advances	9,81,203	-	9,81,203
Other Financial Assets	-	-	-
Other Current Assets - Tax Asset	6,77,972	-	6,77,972
Total Assets	2,79,71,247		2,79,71,247
Equity & Liability			
Equity			
Equity Share Capital	24,11,861	-	24,11,861
Reserves & Surplus	2,38,98,576	-	2,38,98,576
	2,63,10,437	-	2,63,10,437

MADRAS CHIPBOARD LIMITED

Particulars	Previous GAAP	Transition Adjustment	Ind AS
Non-Current Liabilities			
Financial Liabilities			
Borrowings	-	-	-
Provisions	-	-	-
Deferred Tax Liabilities	4,03,975	-	4,03,975
	4,03,975	-	4,03,975
Current Liabilities			
Financial Liabilities			
Borrowings	-	-	-
Trade Payables	19,415	-	19,415
Other Financial Liabilities	12,34,030	-	12,34,030
Provisions	-	-	-
Liabilities for Current Tax	3,390	-	3,390
	12,56,835	-	12,56,835
Total Equity and Liabilities	2,79,71,247		2,79,71,247

Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2020

(Amount in Rupees)

Revenue			
Revenue from operations	2,30,23,134	-	2,30,23,134
Finance Income			
Other Income	6,52,237	-	6,52,237
Total Revenue	2,36,75,375	-	2,36,75,375
Expenses			
Cost of Materials Consumed	1,16,58,484	-	1,16,58,484
Trade Purchases	--	-	--
Changes in Inventories of Finished Goods and WIP	(6,23,455)	-	(6,23,455)
Employee Benefits Expense	79,31,205	-	79,31,205
Finance Costs	24,339	-	24,339
Depreciation and Amortization Expense	2,77,812	-	2,77,812
Other Expenses	43,90,891	-	43,90,891
Total Expenses	2,36,59,276	-	2,36,59,276
Profit Before Tax	16,095	-	16,095
Tax Expenses			
Current Tax - MAT	3,930	-	3,930
Deferred Tax	(1,062)	-	(1,062)
Total Tax Expenses	2,868	-	2,868
Profit for the year	13,227	-	13,227

MADRAS CHIPBOARD LIMITED

Particulars	Previous GAAP	Transition Adjustment	Ind AS
Other Comprehensive Income			
Item that will not be reclassified to Profit or Loss	-	-	-
Remeasurements losses on defined benefit obligations	-	-	-
Deferred Tax credit on the above	-	-	-
Equity Instruments recognised through OCI	-	-	-
Total Other Comprehensive Income for the Year	13,227	-	13,227

Notes

In preparing these financial statements, the Company's Opening Balance Sheet was prepared as at 1st April, 2019 which is the Company's date of transition to Ind AS. The following note explains the nature of adjustments made by the Company read with Note No. 3 in restating its previous GAAP Financial Statements including its Balance Sheet as at 1st April, 2019 and the financial statements as at and for the year ended 31st March, 2020. The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this disclosure.

A. Property, Plant & Equipment

Under previous GAAP, the carrying value of significant components of Property, Plant and Equipment which have completed their useful life, have been charged off against opening balance of General Reserves for the financial year 2019-20 as permitted by Schedule II to the Companies Act, 2013. However, under Ind AS, this has been taken through profit and loss for the year ended 31st March, 2020 as it not a GAAP difference.

B. Financial Guarantee Contracts

The Company has issued Financial Guarantee to Banks for the loans availed by Associates and other related parties. Where guarantees in relation to loans are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment if the loan is given to Associates, and recognized as Other expenses if the loan is given to other related parties. The carrying amount of financial guarantee obligation is recognized as other income over the tenure of the corporate guarantee.

MADRAS CHIPBOARD LIMITED

C. Recognition & Measurement of Loans & Advances at Amortized Cost

Loans and advances comprise of loans given to employees at concessional interest rates and advances paid to service providers at zero/market interest rates and the said loans are recovered in agreed installments. Under previous GAAP, this has been measured at Transaction value. However, under Ind AS, when the said loans and advances carry interest below the market rate is required to be measured at fair value on initial recognition. The fair value is determined at the present value of EMI, discounted using the market interest rates for similar instruments. The difference between historical value and fair value of such loans and advances are classified under prepaid expenses.

Subsequent to initial recognition, the loans and advances are measured at amortized cost using the effective interest rate method with the carrying amount increased over the period upto the recovery of the loans and advances. The amount of increase in the carrying amount of loans and advances is recognized as 'Interest Income' and prepaid expenses are amortized over the tenure of loans and advances as 'Employee cost' or 'Other Expenses', as it may be appropriate.

D. Transaction cost on Borrowings

Under previous GAAP, transaction costs (loan processing fees) incurred in connection with borrowings is charged to profit or loss up front. Under Ind AS, transaction cost is to be included in the initial recognition and charged to profit or loss using the effective interest method. Accordingly, transaction cost on borrowings is reversed to Equity, for the loans outstanding as at 1st April, 2019 and additional interest expense is recognized in the Opening Equity for the period upto 1st April, 2019, using Effective Interest Rate method (EIR). For the year ended 31st March, 2020 the Company has reversed the transaction cost pertaining to the Borrowings availed during the year 2019-20 and the additional Interest impact computed using EIR method is recognized as Finance cost.

E. Recognition and Measurement of Forward Contracts on Mark To Market (MTM)

Under previous GAAP, in respect of forward contracts, the difference between the forward rate and the exchange rate at the inception of the forward exchange contract is recognized as income/expenses over the tenure of such contract. Under Ind AS, the fair value of forward foreign exchange contracts has to be recognized. Accordingly, the assets and liabilities related to forward contracts recognized under previous GAAP are reversed and Mark to Market (MTM) gain/loss is recognized as other expenses in the Statement of Profit and Loss.

MADRAS CHIPBOARD LIMITED

F. Deferred Tax

Deferred tax is accounted using income statement approach by computing the differences between taxable profits and accounting profits for the period under previous GAAP. As per Ind AS 12, the deferred tax is to be computed using the balance sheet approach, which is based on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred tax adjustments are recognized either in retained earnings or a separate component of equity.

G. Defined Benefit Plan

Under previous GAAP, actuarial gains and losses are charged to profit or loss. Under Ind AS re-measurements of net defined benefit asset/liability comprising of actuarial gains or losses are arising from experience adjustments and changes in actuarial assumption are charged/credited to other comprehensive income. There is no impact on the total equity as at 31st March, 2020. However for the period upto the date of transition, the Company has transferred all re-measurement costs recognized in the past periods within accumulated profits or loss (a component of equity), in accordance with provisions of Para 122 of Ind AS 19.

H. Other Comprehensive Income (OCI)

This is a new classification under Ind AS. Any income or expense that are not required to be recognized in profit or loss are shown under a new category namely OCI in the Statement of Profit and Loss namely re-measurements of defined benefit plans, gains and losses from investments in equity instruments designated at fair value through other comprehensive income, gains and losses on financial assets measured at fair value through other comprehensive income, gain or loss on financial instruments that qualify for hedge accounting, changes in revaluation surplus and gains and losses arising from translating the financial statements of a foreign operation.

(Signatures to Note 1 to 34)

As per our report annexed
For M.S. Jagannathan & N. Krishnaswami
Chartered Accountants
Firm Registration No. 001208S

For and on behalf of the Board

R. Sundarasudarsan
Partner
Membership No. 247447
Trichy.
Rajapalayam.
03rd May 2021

N.K. Ramasuwami Raja
Director
DIN : 00432698

P.J. Ramkumar Rajha
Director
DIN : 00487193

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rules 19 (3) of the Companies (Management and Administration) Rules, 2014]

MADRAS CHIPBOARD LIMITED

[CIN: U17100TN1961PLC004457]

Registered Office : No. 53, Annamaraja Nagar, Sankarankovil Road,
Rajapalayam - 626 117. Tamilnadu.

Name of the member(s):

Registered address:

E-mail ID:

Folio No. / DP ID. Client ID:

I/We, being the member(s) of Shares of the above named Company, hereby appoint

Name : Address :

E-mail ID : Signature : or failing him

Name : Address :

E-mail ID : Signature : or failing him

Name : Address :

E-mail ID : Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 60th Annual General Meeting of the Company, to be held on Monday the 23rd August, 2021 at 11.00 A.M. at Registered Office, Factory Premises, No: 53, Annamaraja Nagar, Sankarankoil Road, Rajapalayam - 626 117 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
Ordinary Business	
1	Adoption of Financial Statements for the year ended 31 st March, 2021
2	Appointment of Shri. S. Neethiraj, who retires by rotation and is eligible for re-appointment.
3	Appointment of Smt. D. Swarnalukshme, who retires by rotation and is eligible for re-appointment
Special Business	
4	Appointment of Shri. N.R.K. Ramkumar Raja and Smt. Nalina Ramalakshmi as a Director
5	Approval of Leasing Income

Signed this day of 2021

Signature of Shareholders

Signature of Proxy Holder(s)

Affix Rs.1
Revenue
Stamp

Note: This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.