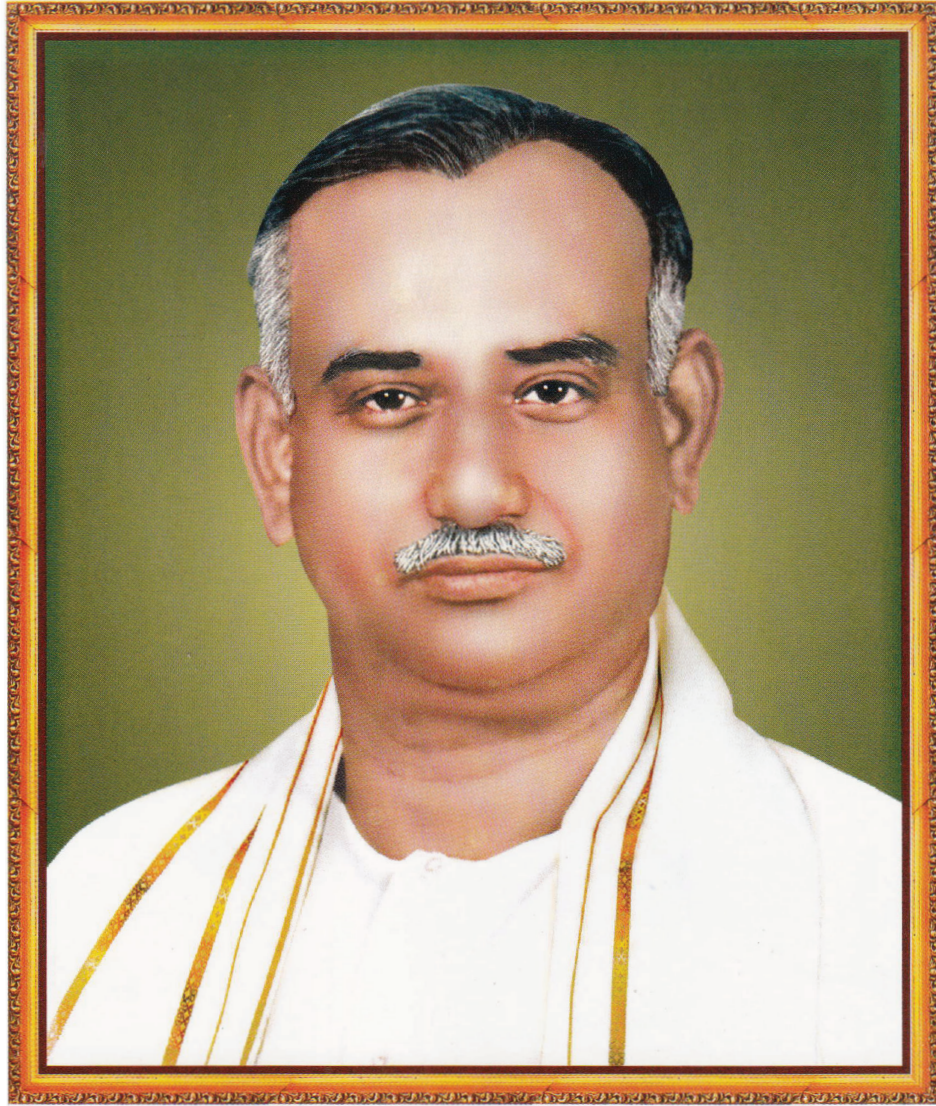


MADRAS CHIPBOARD LIMITED
RAJAPALAYAM



62ND ANNUAL REPORT
2022 - 2023



SRI. N.R. KRISHNAMA RAJA
FOUNDER

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,
Sankarankovil Road,
Rajapalayam - 626 117
Tamilnadu.
Phone No : 04563-230756, 230913
Fax No : 04563-223844
E-mail : corporate@madraschipboard.com
Website : www.madraschipboard.com

Corporate Identification 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

Bankers

Karur Vysya Bank
State Bank of India

MADRAS CHIPBOARD LIMITED

Contents

Notice to the Members	3
Directors' Report	8
Independent Auditor's Report	21
Balance Sheet	32
Statement of Profit and Loss	33
Statement of Changes in Equity	34
Cash Flow Statement	35
Notes forming part of Financial Statements	36

MADRAS CHIPBOARD LIMITED

Notice to the Members

Notice is hereby given that the 62nd Annual General Meeting of the Company will be held on Thursday, the 10th August, 2023 at 11.00 A.M, at Registered Office of the Company, No.53, 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, 2023, 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 N.K.Ramasuwami Raja (DIN: 00432698) who retires by rotation, be and is hereby eligible for re-appointment as Director of the Company.”

3. To consider and pass the following Resolution, as an **Ordinary Resolution:**

“RESOLVED THAT Shri A.R.S.Chaithanya (DIN: 08592582) who retires by rotation, be and is hereby eligible for re-appointment as Director of the Company.”

4. To consider and pass the following Resolution, as an **Ordinary Resolution:**

“RESOLVED THAT Shri N.R.K.Ramkumar Raja (DIN: 01948373) who retires by rotation, be and is hereby eligible for re-appointment as Director of the Company.”

5. To consider and pass the following Resolution, as an **Ordinary Resolution:**

“RESOLVED THAT Smt Nalina Ramalakshmi (DIN: 01364161) who retires by rotation, be and is hereby eligible for re-appointment as Director of the Company.”

MADRAS CHIPBOARD LIMITED

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 01st August, 2023 to 10th August, 2023 (both days inclusive).
3. Pursuant to Rule 8 of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unclaimed / unpaid dividends lying with the Company on the website of the Company (www.madraschipboard.com) The dividends remaining unpaid for a period of over 7 years will be transferred to the Investor Education and Protection Fund (IEPF) of 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.

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 IEP Fund
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.

MADRAS CHIPBOARD LIMITED

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 Ltd,**

N.K. Ramasuwami Raja
Director
(DIN: 00432698)

Rajapalayam
22nd May, 2023

MADRAS CHIPBOARD LIMITED

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING

Details of Directors Seeking Re-appointment at the 62nd Annual General Meeting pursuant to Secretarial Standards on General Meetings;

Name of the Director	Shri.N.K.Ramasuwami Raja
Director Identification Number (DIN)	00432698
D.O.B & Age	10-06-1943 & 80 Years
Qualification & Experience	He holds a Degree in Science. He has 5 decades of experience in the field of textiles and management
Terms and Conditions of re-appointment	Director liable to retire by rotation, under Section 152(6) of the Companies Act, 2013
Date of First Appointment to the Board	19-08-1966
Shareholding of the Company as on 31-03-2023	40 Equity Shares of Rs.100/- each
Remuneration	He is eligible for sitting fees for attending Board meetings as applicable to the Directors from time to time
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	He is related to N.R.K.Ramkumar Raja, Smt. D. Swarnalukshme and Shri.S J Srikanth, Directors of the Company.
No of Board Meetings attended during the year	Four
Other Directorship as on 31-03-2023	<ol style="list-style-type: none"> 1. Rajapalayam Mills Limited 2. Ramco Agencies Private Limited 3. Rajapalayam Chamber of Commerce and Industry 4. Digvijai Polytex Private Limited 5. Sri Harini Textiles Limited
Memberships and Chairmanships of Committees of other Board	He is a member of the Audi Committee and Nomination and Remuneration Committee in M/s. Rajapalayam Mills Limited

Name of the Director	Shri.A.R.S.Chaithanya
Director Identification Number (DIN)	08592582
D.O.B & Age	04-04-1979 & 45 Years
Qualification & Experience	He holds a Bachelor's Degree in Commerce and Masters in Business Administration (Finance). His has experience in the field of management.
Terms and Conditions of re-appointment	Director liable to retire by rotation, under Section 152(6) of the Companies Act, 2013
Date of First Appointment to the Board	14-11-2019
Shareholding of the Company as on 31-03-2023	6 Equity Shares of Rs.100/- each
Remuneration	He is eligible for sitting fees for attending Board meetings as applicable to the Directors from time to time
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	He is not related to any of the directors of the Company.
No of Board Meetings attended during the year	Four
Other Directorship as on 31-03-2023	He does not hold any directorship in any other companies
Memberships and Chairmanships of Committees of other Board	NIL

MADRAS CHIPBOARD LIMITED

Name of the Director	Shri.N.R.K.Ramkumar Raja
Director Identification Number (DIN)	01948373
D.O.B & Age	18-04-1957 & 66 Years
Qualification & Experience	He holds a Masters in Engineering and he has a vast experience in textiles and managing the affairs of the Company
Terms and Conditions of re-appointment	Director liable to retire by rotation, under Section 152(6) of the Companies Act, 2013
Date of First Appointment to the Board	24-02-2021
Shareholding of the Company as on 31-03-2023	50 Equity Shares of Rs.100/- each
Remuneration	He is eligible for sitting fees for attending Board meetings as applicable to the Directors from time to time
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	He is related to N.K.Ramasuwami Raja and Smt. Nalina Ramalakshmi, Directors of the Company
No of Board Meetings attended during the year	Three
Other Directorship as on 31-03-2023	1. The Ramaraju Surgical Cotton Mills Limited 2. Shri Harini Media Limited
Memberships and Chairmanships of Committees of other Board	He is member of the Stakeholders Relationship Committee of M/s. The Ramaraju Surgical Cotton Mills Limited and member of the Audit Committee and Nomination and Remuneration Committee of M/s. Shri Harini Media Limited

Name of the Director	Smt.Nalina Ramalakshmi
Director Identification Number (DIN)	01364161
D.O.B & Age	10-05-1963 & 60 Years
Qualification & Experience	She holds a Master's Degree in M.S. Computer Science and she has a vast experience in textiles and managing the affairs of the Company
Terms and Conditions of re-appointment	Director liable to retire by rotation, under Section 152(6) of the Companies Act, 2013
Date of First Appointment to the Board	24-02-2021
Shareholding of the Company as on 31-03-2023	35 Equity Shares of Rs.100/- each
Remuneration	She is eligible for sitting fees for attending Board meetings as applicable to the Directors from time to time
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	She is related to N.R.K.Ramkumar Raja, Director of the Company
No of Board Meetings attended during the year	Two
Other Directorship as on 31-03-2023	1. The Ramaraju Surgical Cotton Mills Limited 2. Shri Harini Media Limited 3. Sri Nithyalakshmi Farms Private Limited 4. Nalina Agricultural Farms Private Limited 5. Sri Harini Textiles Limited
Memberships and Chairmanships of Committees of other Board	She is member of the Corporate Social Responsibility Committee in M/s. The Ramaraju Surgical Cotton Mills Limited

MADRAS CHIPBOARD LIMITED

Directors' Report

To the Members

Your Directors have pleasure in presenting their 62nd Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2023.

1. Financial Results

The summary of the financial performance of the company for the year ended 31st March, 2023 is furnished below

(In Rs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Revenue from operations	3,60,00,000	2,29,772
Other income	4,81,749	25,240
Total Revenue	3,64,81,749	2,55,012
Total Expenses	3,16,37,492	37,81,994
Profit or Loss before Exceptional and Extraordinary items and Tax	48,44,257	(35,26,982)
Profit or Loss before Tax	48,44,257	(35,26,982)
Less: Current Tax	-	-
Deferred Tax	12,54,691	-
Profit or Loss after Tax	35,89,566	(35,26,982)

2. Business Highlights

The Revenues for the year ended 31st March 2023 primarily consists of lease rentals from the building given on lease to its holding company M/s The Ramaraju Surgical Cotton Mills Limited. The Company has carried the activity of infrastructure development and leasing in accordance with its main objects and approved by the company's shareholders in the Extraordinary General Meeting resolution dated 01st April, 2021.

3. 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/-).

MADRAS CHIPBOARD LIMITED

4. Dividend

Considering financial position of the Company, your Directors do not recommend any dividend for the year 2022-2023.

5. Taxation

An amount of Rs.12,54,691 towards Deferred Tax Liability has been provided for the year 2022-2023.

6. Holding Company

M/s. The Ramaraju Surgical Cotton Mills Limited is the Holding Company and its having 75.01% paid up equity shares in the Company as on 31st March, 2023. 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.

7. Industrial Relations and Personnel

Industrial relations with employees remained cordial during the year. Human Resources Development activities received considerable focus.

8. Employees Remuneration

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.

9. 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.

10. Directors

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

1. Shri N.K.Ramasuwami Raja (DIN: 00432698)
2. Shri A.R.S.Chaithanya (DIN: 08592582)
3. Shri N.R.K.Ramkumar Raja (DIN: 01948373)
4. Smt Nalina Ramalakshmi (DIN: 01364161)

MADRAS CHIPBOARD LIMITED

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.

11. Meetings of The Board

During the year Four Board meetings were conducted on 23rd May, 2022, 27th July, 2022, 29th October, 2022 and 28th January, 2023.

12. Audit Committee

Not Applicable

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

Not Applicable

14. Nomination and Remuneration Committee

Not Applicable

15. Public Deposit

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

16. 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.

17. Particulars of Loans, Guarantee and Investments

The Company has not given any loans, guarantees during the year 2022-23 and do not have any investments under Section 186 of the Companies Act, 2013.

18. Auditors

M/s. M.S. Jagannathan & N. Krishnaswami, (FRN: 001208S), are the Statutory Auditors of the Company. The Shareholders of the Company at the meeting held on 18th August, 2022 have approved the appointment of M/s. M.S. Jagannathan & N. Krishnaswami, (FRN: 001208S), as the Statutory Auditors of the Company for a further period of 5 consecutive years from the financial year 2022-2023 and to hold office from the conclusion of 61st Annual General Meeting till the conclusion of 66th Annual General Meeting to be held in the year 2027.

The report of the Statutory Auditor for the year ended 31st March, 2023 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.

MADRAS CHIPBOARD LIMITED

19. 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**.

20. Extract of Annual Return

The extract of Annual Return pursuant to the provision of Section 92 read with rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in **Annexure-II** and is attached to this report. The Company does not have a functional website during the reporting date.

21. Related Party Transaction

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

22. 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.

23. Directors' Responsibility Statement

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

- a) In the preparation of the Annual Accounts for the year ended 31st March, 2023 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.

MADRAS CHIPBOARD LIMITED

24. 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.

25. Corporate Social Responsibility

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

26. 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 has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy”.

There was no complaint received from any employee during the financial year 2022-23 and hence no compliant is outstanding as on 31.03.2023 for redressal.

27. 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.

By Order of the Board of Directors,
For **Madras Chipboard Ltd,**

N.K. Ramasuwami Raja
Director
(DIN: 00432698)

Rajapalayam
22nd May, 2023

MADRAS CHIPBOARD LIMITED

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

MADRAS CHIPBOARD LIMITED

Annexure-II to Directors' Report

Form No.MGT-9

Extract of Annual Return

As on the financial year ended on 31st March, 2023

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

I. Registration and Other Details:

CIN	U17100TN1961PLC004457
Registration Date	29-03-1961
Name of the Company	Madras Chipboard Limited
Category / Sub-Category of the Company	Public Limited Company
Address of the Registered office and Contact details	No: 53, Annamaraja Nagar, Sankarankovil Road, Rajapalayam, Virudhunagar - 626117
Whether listed company	No
Name, address and contact details of Registrar and Transfer Agent, if any	M/s. Cameo Corporate Services Limited Subramanian Building, No.1 Club House Road, Chennai 600002 Phone: 044-28460390; Fax: 044-28460129 E.mail: investor@cameoindia.com Web : www.cameoindia.com

II. Principal Business Activities of the Company

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

Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
Real estate activities with own or leased property	68100	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
The Ramaraju Surgical Cotton Mills Limited	L17111TN1939PLC002302	Holding	75.01 %	Section2(46) of Companies Act, 2013

MADRAS CHIPBOARD LIMITED

Iv. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

(i) Category-Wise Share Holding

CATEGORY OF SHAREHOLDER		No. of Shares held at the beginning of the year as on 01-04-2022				No. of Shares held at the end of the year as on 31-03-2023				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian									
a)	Individuals/ Hindu Undivided Family	225	43	268	1.11	225	43	268	1.11	-
b)	Central Government	-	-	-	-	-	-	-	-	-
c)	State Government(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corporate	-	-	-	-	-	-	-	-	-
e)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
f)	IEPF Authority	-	-	-	-	-	-	-	-	-
g)	Any Others...	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)		225	43	268	1.11	225	43	268	1.11	-
B.	Foreign									
a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
b)	Other Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
e)	Any Others...	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)		-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A)= (A) (1)+(A)(2)		225	43	268	1.11	225	43	268	1.11	-
B.	Public shareholding									
1.	Institutions									
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
c)	Central Government	-	-	-	-	-	-	-	-	-
d)	State Government(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-

MADRAS CHIPBOARD LIMITED

CATEGORY OF SHAREHOLDER		No. of Shares held at the beginning of the year as on 01-04-2022				No. of Shares held at the end of the year as on 31-03-2023				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Other (Specify)	-	-	-	-	-	-	-	-	-
Sub Total (B)(1)		-	-	-	-	-	-	-	-	-
(2)	Non- Institutions									
a)	Body Corporate	18,143	-	18,143	75.01	18,143	-	18,143	75.01	-
i)	Indian	-	-	-	-	-	-	-	-	-
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual shareholders holding nominal share capital up to Rs. 1 lakh	371	2,144	2515	10.40	542	1688	2230	9.22	(1.18)
ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
(c)	Others (specify) IEPF Account	3,260	-	3,260	13.48	3,545	-	3,545	14.66	(1.18)
Sub Total (B)(2)		21,774	2,144	23,918	98.89	22,230	1,688	23,918	98.89	-
B	Total Public Shareholding (B) = (B)(1)+(B)(2)	21,774	2,144	23,918	98.89	22,230	1,688	23,918	98.89	-
(c)	Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)		21,999	2,187	24,186	100	22,455	1,731	24,186	100	-

(ii) Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
	No. of Shares	% of Total Shares of the company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of Total Shares of the company	% of Shares Pledged / encumbered to total Shares	
Shri. P.R. Venkatrama Raja	35	0.15	-	35	0.15	-	-
Smt. Nalina Ramalakshmi	35	0.15	-	35	0.15	-	-
Smt. Sharadha Deepa	35	0.15	-	35	0.15	-	-

MADRAS CHIPBOARD LIMITED

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
	No. of Shares	% of Total Shares of the company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of Total Shares of the company	% of Shares Pledged / encumbered to total Shares	
Shri. N.K. Ramasuwami Raja	40	0.17	-	40	0.17	-	-
Smt. D. Swarnalukshme	5	0.02	-	5	0.02	-	-
Shri. S.J. Srikanth	5	0.02	-	5	0.02	-	-
Shri. N.K. Shrikantan Raja HUF	10	0.04	-	10	0.04	-	-
Shri. N.R.K. Venkatesh Raja	10	0.04	-	10	0.04	-	-
Shri. N.R.K. Ramkumar Raja	50	0.21	-	50	0.21	-	-
Smt. B. Reshma Pankaj	12	0.05	-	12	0.05	-	-
Smt. D. Sumedha	16	0.06	-	16	0.06	-	-
Shri. D. Venkatrama Rajha	15	0.06	-	15	0.06	-	-
Total	268	1.11	-	268	1.11	-	-

(iii) Change in Promoters Shareholding

Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2022 to 31-03-2023)	
No. of Shares at beginning (01-04-2022) / end of the year (31-03-2023)	% of total shares of the Company				No. of Shares	% of total shares of the Company
268	1.11	01-04-2022	NIL	NIL	NIL	NIL
268	1.11	31-03-2023	NIL	NIL	NIL	NIL

MADRAS CHIPBOARD LIMITED

(iv) Shareholding Pattern of top ten Shareholders (other than Directors and Promoters):

NAME	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
The Ramaraju Surgical Cotton Mills Limited	18,143	75.01	18,143	75.01
Investor Education And Protection Fund	3,260	13.48	3,545	14.66
K T Srinivasan	150	0.62	150	0.62
Krishnamurthy Raja N R	81	0.33	81	0.33
Subbu Reddiar T A	66	0.27	66	0.27
Mallika S	66	0.27	66	0.27
Jeyakrishnan Krishnan Shivaraj	51	0.23	51	0.21
Manivannan R	51	0.21	51	0.21
Alaga Raja P J	51	0.21	51	0.21
Pratap P J	51	0.21	51	0.21
Total	21,970	90.84	22,255	92.02

(v) Shareholding of Directors and Key Managerial Personnel:

NAME	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Shri. N.K. Ramasuwami Raja	40	0.17	40	0.17
Shri. N.R.K. Ramkumar Raja	50	0.21	50	0.21
Smt. Nalina Ramalakshmi	35	0.15	35	0.15
Shri. S. Neethiraj	-	-	-	-
Smt. D. Swarnalukshme	5	0.02	5	0.02
Shri. P.J. Ramkumar Rajha	-	-	-	-
Shri. S.J. Srikanth	5	0.02	5	0.02
Shri. A.R.S. Chaithanya	6	0.02	6	0.02

MADRAS CHIPBOARD LIMITED

V. Indebtedness

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the Beginning of the financial year				
i) Principal Amount	17,02,50,457	29,00,000	-	17,31,50,457
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Addition	4,21,11,517	1,70,00,000	-	5,91,11,517
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	21,23,61,974	1,99,00,000	-	23,22,61,974
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

A. Remuneration of Directors And Key Managerial Personnel

B. Remuneration to Managing Director, Whole-time Directors and / or Manager:

Particulars of Remuneration	Name of the Directors								Total Amount in Lakhs
	Shri. Rama suwami Raja	Shri. N.R.K. Ramkumar Raja	Smt. Nalina Rama lakshmi	Shri. S. Neethiraj	Shri. P.J. Ramkumar Rajha	Smt. D. Swarna lukshme	Shri. S.J. Srikanth	Shri. A.R.S. Chaithanya	
Fee for attending Board/ Committee Meetings	0.20	0.15	0.10	0.20	0.20	0.15	0.20	0.20	1.40
Commission	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total (2)	0.20	0.15	0.10	0.20	0.20	0.15	0.20	0.20	1.40
Total B (1) + (2)									

MADRAS CHIPBOARD LIMITED

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/ WTD

Sl. No	Particulars of Remuneration	Key Managerial Personnel	Total Amount Rs. in Lakhs
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission		
	- as % of Profit		
	- Others, specify...		
5.	Others, please specify		
	Total		

VI. Penalties/ Punishment/ Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made, if any (give Details)
A. Company					
Penalty			Nil		
Punishment					
Compounding					
B. Directors					
Penalty			Nil		
Punishment					
Compounding					
C. Other officers in default					
Penalty			Nil		
Punishment					
Compounding					

By Order of the Board of Directors,
For **Madras Chipboard Ltd,**

N.K. Ramasuwami Raja
Director
(DIN: 00432698)

Rajapalayam
22nd May, 2023

MADRAS CHIPBOARD LIMITED

Independent Auditors' Report

To the Members of M/s. Madras Chipboard Limited Report on the Audit of Financial Statements

Opinion

We have audited the accompanying Financial Statements of Madras Chipboard Limited ("the Company") drawn in accordance with the Indian Accounting Standards, which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash flow statement and Statement of Changes in Equity for the year ended on 31st March 2023 and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of Affairs ("Financial Position") of the Company as at 31st March 2023, its Profit ("Financial Performance including Other Comprehensive Income") its Cash Flows and changes in Equity for the year ended on 31st March 2023.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 ethical 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 Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Boards' Report including Annexures to Boards' Report, but does not include the financial statements and our audit report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

MADRAS CHIPBOARD LIMITED

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

Management's Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these Financial Statements that give a true and fair view of the financial position, financial performance (including Other Comprehensive Income), Cash Flows and Changes in Equity 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 and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional 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 error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

MADRAS CHIPBOARD LIMITED

- 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 audit 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 audit 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, 2020 ("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, based on our audit, we report to the extent applicable that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the 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 Indian 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 2023 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) We have enclosed our separate 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. The Company did not have any pending litigation for the year ended 31st March 2023.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts that were required to be transferred by the Company to the Investor Education and Protection Fund.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

MADRAS CHIPBOARD LIMITED

(b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of Companies (Audit and Auditors) Rules, 2014, as provide under (a) and (b) above, contain any material misstatement.

- v. There is no dividend declared or paid during the year by the Company and hence the requirement of compliance with Section 123 of the Act does not arise.
- h) With respect to the matter to be included in the Audit Report under Section 197(16) of the Act:
In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its Directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any Director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us
- i) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.

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

Rajapalayam
22nd May, 2023

K. Srinivasan
Partner
Membership No. 021510
UDIN: 23021510BGTPGN6221

MADRAS CHIPBOARD LIMITED

Annexure A to the Independent Auditors' Report

Referred to in paragraph 1 under the heading "Report on Other Legal & Regulatory Requirements" of our report of even date to the Standalone Financial Statements of the Company for the year ended 31st March 2023:

We state the following after considering the information and explanations given to us by the Company and on the basis of examination of the records of the Company

1. In respect of the Company's Property Plant and Equipment and Intangible Assets
 - 1.1 The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and equipment. The Company does not have any Intangible assets.
 - 1.2 The Property, Plant and Equipment were physically verified during the year by the Company in accordance with the phased program of verification which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancies were noticed during such verification.
 - 1.3 The Title deeds of immovable properties disclosed in the financial statement included under property plant and equipment are held in the name of the company.
 - 1.4 The Company has not revalued its Property, Plant and Equipment (including Right of use Assets) and/or intangibles during the year and accordingly reporting under the provisions of clause 3(i)(d) of the Order is not applicable to the Company.
 - 1.5 The Company does not hold any benami Property and no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and rules made there under and accordingly the reporting under clause 3(i)(e) of the Order is not applicable to the Company.
2. Inventory and Working Capital Loan
 - 2.1 The Company did not hold any inventory during the year and accordingly the reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
 - 2.2 The Company has not been sanctioned any working capital from Banks or Financial Institutions, and accordingly reporting under the provisions of Clause 3(ii)(b) of the Order is not applicable to the Company.
3. Investments made, Guarantees provided, Loans given, and Advances in the nature of loans given during the year
 - 3.1 To Subsidiaries, Joint Venture, Associates and others:

The Company does not have Subsidiaries, Joint Ventures, or Associates. The Company has not advanced any loans and advances in the nature of loans or stood guarantee or provided security to any other party during the year and accordingly reporting under the provisions of Clause 3(iii)(a) of the Order is not applicable to the Company.
 - 3.2 The Company has not made any investments, provided guarantees, or given security during the year and accordingly reporting under the provisions of clause 3(iii)(b) of the Order is not applicable

MADRAS CHIPBOARD LIMITED

to the Company.

- 3.3 The company has not advanced any loans and advances and accordingly reporting under the provisions of clause 3(iii)(c) of the Order is not applicable to the company.
- 3.4 The company has not advanced any loans and advances and accordingly reporting under the provisions of clause 3(iii)(d) of the Order is not applicable to the company.
- 3.5 The Company has not advanced any loans or advance in the nature of loan which has fallen due during the year, that has been renewed, extended, or granted to settle the overdue of existing loans to the same parties and accordingly reporting under the provisions of clause 3(iii)(e) of the Order is not applicable.
- 3.6 The Company has not advanced any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, and accordingly reporting under the provisions of clause 3(iii)(f) of the Order is not applicable to the Company.
4. The Company has not advanced any loans or made investments under section 185 and 186 of the Act during the year and accordingly the provision of clause 3(iv) of the Order is not applicable to the Company.
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. There was no Order passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or Tribunal with regard to the deposits accepted from the public.
6. The Company is not required to maintain costing accounts and records which have been specified by the Central Government under Section 148(1) of the Act.
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, Goods and Service Tax, and any other statutory dues with the appropriate authorities. No undisputed amounts payable in respect of the above were in arrears as at 31st March 2023 for a period of more than six months from the date they became payable.
 - 7.2 There were no disputed statutory dues that have not been deposited with appropriate authorities.
8. There have been no transactions which previously has not been recorded in the books of account but have been surrendered or disclosed as income during the year in the tax assessments by the Company, under the Income Tax Act, 1961.
9. Default in respect of repayment of Loans or interest during the year
 - 9.1 The Company has not defaulted in repayment of dues to financial institutions, banks, government, debenture holders or any other lender and accordingly the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
 - 9.2 The Company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.

MADRAS CHIPBOARD LIMITED

9.3 The Company has obtained term loans from Banks during the year and the same were applied for the purposes for which they were obtained.

9.4 The company has not raised funds on short term basis accordingly reporting under the provisions of clause 3(ix)(d) of the Order is not applicable to the Company.

9.5 The Company has not taken any funds from any entity or person on account of or to meet the obligations of subsidiaries, associates or joint ventures and accordingly reporting under the provisions of clause 3(ix)(e) of the Order is not applicable to the Company.

9.6 The Company has not raised any loan during the year on the pledge of securities held in the subsidiaries, joint ventures, or associate companies and accordingly reporting under the provisions of Clause 3(ix)(f) of the Order is not applicable to the Company.

10. Funds Raised

10.1 The Company has not raised money by way of initial public offer or further public offer (including debt instruments) The Company has not issued any debentures during the year. Accordingly reporting under the provisions of clause 3(x)(a) of the Order is not applicable to the Company.

10.2 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 reporting under the provisions of clause 3(x)(b) of the Order is not applicable to the Company.

11. Fraud and Whistle Blower System

11.1 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.

No report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in respect of the Company, in Form ADT-4 as prescribed

11.2 under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to the date of this report.

11.3 The Company's management has not received any whistle blower complaints during the year.

12. The Company is not a Nidhi Company and accordingly reporting under the provisions of clause 3(xii) of the Order is not applicable to the Company.

13. All transactions with the related parties are in compliance with Section 177 and 188 of the Act and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards. (Refer Note No. 30 to the Financial Statement)

14. The company is not required to have an internal audit system under Companies Act and hence reporting under the provisions of clause 3(xiv) of the Order is not applicable to the Company.

15. The Company has not entered into any non-cash transactions with its Directors or persons connected with them. Accordingly reporting under the provisions of clause 3 (xv) of the Order is not applicable to the Company.

MADRAS CHIPBOARD LIMITED

16. Registration

- 16.1 The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and accordingly reporting under the provisions of clause 3(xvi)(a) of the Order is not applicable to the Company.
- 16.2 The Company has not conducted any Non-Banking Financial or Housing Finance activities and accordingly reporting under the provisions of clause 3(xvi)(b) of the Order is not applicable to the Company.
- 16.3 The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and accordingly reporting under the provisions of clause 3(xvi)(c) of the Order is not applicable to the Company.
- 16.4 The Group does not have any CIC as part of it and accordingly reporting under the provisions of clause 3(xvi)(d) of the Order is not applicable to the Company.
17. The Company has not incurred cash losses in the current year. The company incurred a cash loss of Rs. 34.40 Lakhs immediately preceding financial year.
18. There was no resignation of statutory auditors of the Company during the year, hence reporting under the provisions of clause 3(xviii) of the Order is not applicable to the Company.
19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. Variations in ratios over 25% on comparison with previous year has also been disclosed in the notes accompanying financial statements.
20. The Company is not required to constitute a Corporate Social Responsibility Committee and accordingly reporting under the provisions of clause 3(xx) of the Order is not applicable to the Company.
21. The Company is not required to prepare consolidated Financial Statements as per the provisions of section 129(3) of the Act, 2013 and accordingly reporting under the provisions of clause 3(xxi) of the Order is not applicable to the Company.

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

K. Srinivasan
Partner

Rajapalayam
22nd May, 2023

Membership No. 021510
UDIN: 23021510BGTPGN6221

MADRAS CHIPBOARD LIMITED

“Annexure B” to the Independent Auditors’ Report

(Referred in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

Opinion

We have audited the Internal Financial Controls over financial reporting of Madras Chipboard Limited (“the Company”) as of 31 March 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on 31 March 2023.

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 31 March 2023, 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 (“Guidance Note”) issued by Institute of Chartered Accountants of India (“ICAI”).

Management’s Responsibilities for Internal Financial Controls

The Company’s Management and Board of Directors are 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 issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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 and the Standards on Auditing (“SAs”), issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those SAs 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

MADRAS CHIPBOARD LIMITED

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 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:

Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.

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

Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls 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. Jagannathan & N. Krishnaswami**
Chartered Accountants
Firm Registration No. 001208S

Rajapalayam
22nd May, 2023

K. Srinivasan
Partner
Membership No. 021510
UDIN: 23021510BGTPGN6221

MADRAS CHIPBOARD LIMITED
BALANCE SHEET AS AT 31st MARCH 2023

	Note No	As at 31.03.2023	As at 31.03.2022
(Amount in ₹)			
I) ASSETS			
1) Non-Current Assets			
Property, Plant and Equipments	6	28,92,98,152	15,21,572
Capital Work In Progress	7	-	12,01,60,679
Other Non Current Assets	8	40,46,321	8,60,21,403
Sub Total (A)		29,33,44,473	20,77,03,654
2) Current Assets			
Inventories		-	-
Financial Assets			
Trade Receivables		-	-
Cash and Cash Equivalents	9	16,37,473	99,50,721
Bank Balances other than Cash and Cash Equivalents	10	1,03,583	1,75,021
Loans and Advances	11	36,14,699	6,29,450
Other Current Assets	12	46,30,606	6,58,716
Sub Total (B)		99,86,361	1,14,13,908
Total Assets (A+B)		30,33,30,834	21,91,17,562
II) EQUITY AND LIABILITIES			
1) EQUITY			
Equity Share Capital	13	24,11,861	24,11,861
Other Equity	14	1,95,82,492	1,59,92,926
Sub Total (A)		2,19,94,353	1,84,04,787
2) LIABILITIES			
a. Non-Current Liabilities			
Long Term Borrowings	15	23,22,61,974	17,31,50,457
Deferred Tax Liabilities	16	13,07,308	52,617
Other Non Current Liabilities	17	3,60,00,000	1,50,00,000
Sub Total (B)		26,95,69,282	18,82,03,074
b. Current Liabilities			
Financial 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	18	11,33,094	1,17,02,494
Other Current Liabilities	19	1,04,76,543	4,93,514
Provisions	20	1,57,562	3,13,693
Sub Total (C)		1,17,67,199	1,25,09,701
Total Equity and Liabilities (A+B+C)		30,33,30,834	21,91,17,562
Significant Account Policies, Judgements and Estimates	1-5		
See accompanying notes to the financial statements	6-33		

As per our report annexed
For **M.S.Jagannathan & N.Krishnaswami**
Chartered Accountants
Firm Registration Number: 001208S

On behalf of the Board of Directors
For **Madras Chipboard Ltd**

K. Srinivasan
Partner
M.No : 021510
Trichy

N.K. Ramasuwami Raja
Director
DIN : 00432698

P.J. Ramkumar Rajha
Director
DIN : 00487193

UDIN: 23021510BGTPGN6221
22nd May 2023
Rajapalayam

MADRAS CHIPBOARD LIMITED

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH 2023

		(Amount in ₹)		
		Note No	For the Year ended 31-03-2023	For the Year ended 31-03-2022
INCOME				
I	Revenue from Operations	21	3,60,00,000	2,29,772
II	Other Income	22	4,81,749	25,240
III	Total Income (I+II)		3,64,81,749	2,55,012
IV EXPENSES				
	Cost of Materials Consumed	23	-	2,08,883
	Employee Benefit Expenses	24	33,38,062	7,34,388
	Finance Cost	25	2,05,92,503	-
	Depreciation	26	43,22,427	87,104
	Other Expenses	27	33,84,500	27,51,619
	Total Expenses		3,16,37,492	37,81,994
V	Profit/ (Loss) before Tax (III-IV)		48,44,257	(35,26,982)
VI	Tax Expenses			
	Current Tax		-	-
	Deferred Tax		12,54,691	-
VII	Profit/ (Loss) for the period (V-VI)		35,89,566	(35,26,982)
VIII	Other Comprehensive Income		-	-
	Item that will not be reclassified into Profit / Loss :			
	Re-measurement of the defined benefit plans			
IX	Total Comprehensive Income for the year (VII+VIII)		35,89,566	(35,26,982)
	Earnings per Equity Share of Rs.100/- each			
	Basic & Diluted (In Rupees)		148.42	(145.83)
	Significant Account Policies, Judgements and Estimates	1-5		
	See accompanying notes to the financial statements	6-33		

As per our report annexed
For **M.S.Jagannathan & N.Krishnaswami**
Chartered Accountants
Firm Registration Number: 0012085

On behalf of the Board of Directors
For Madras Chipboard Ltd

K. Srinivasan
Partner
M.No : 021510
Trichy

UDIN: 23021510BGTPGN6221
22nd May 2023
Rajapalayam

N.K. Ramasuwami Raja
Director
DIN : 00432698

P.J. Ramkumar Rajha
Director
DIN : 00487193

MADRAS CHIPBOARD LIMITED

STATEMENT OF CHANGES IN EQUITY FOR MADRAS CHIPBOARD LIMITED FOR THE YEAR ENDED 31-03-2023

A. Equity Share Capital

(Amount in ₹)

Balance as at 01-04-2021	24,11,861
Changes in Equity Share Capital during the year 2020-21	-
Balance as at 31-03-2022	24,11,861
Changes in Equity Share Capital during the year 2021-22	-
Balance as at 31-03-2023	24,11,861

B. Other Equity

(Amount in ₹)

Particulars	Other Equity		Items of OCI	Total Other Equity
	General Reserve	Retained Earnings	Remeasurments of Defined Benefit Obligations	
Other Equity as at 1 st April 2021	1,95,19,908	-	-	1,95,19,908
Add: Profit for the year	-	(35,26,982)	-	(35,26,982)
Add: Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	(35,26,982)	-	(35,26,982)
Less: Transfer to Retained Earnings	-	-	-	-
Add: Transfer from OCI	-	-	-	-
Less: Transfer to General Reserve	-	35,26,982	-	35,26,982
Add: Transfer from Retained Earnings	(35,26,982)	-	-	(35,26,982)
Other Equity as at 31st March 2022	1,59,92,926	-	-	1,59,92,926
Add: Profit for the year	-	35,89,566	-	35,89,566
Add: Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	35,89,566	-	35,89,566
Less: Transfer to Retained Earnings	-	-	-	-
Add: Transfer from OCI	-	-	-	-
Less: Transfer to General Reserve	-	(35,89,566)	-	(35,89,566)
Add: Transfer from Retained Earnings	35,89,566	-	-	35,89,566
Other Equity as at 31st March 2023	1,95,82,492	-	-	1,95,82,492

As per our report annexed
For **M.S.Jagannathan & N.Krishnaswami**
Chartered Accountants
Firm Registration Number: 001208S

On behalf of the Board of Directors
For Madras Chipboard Ltd

K. Srinivasan
Partner
M.No : 021510
Trichy

UDIN: 23021510BGTPGN6221
22nd May 2023
Rajapalayam

N.K. Ramasuwami Raja
Director
DIN : 00432698

P.J. Ramkumar Rajha
Director
DIN : 00487193

MADRAS CHIPBOARD LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2023

	2022-2023	2021-2022
		(Amount in ₹)
A. Cash flow from Operating Activities		
Net Profit/(Loss) before Tax	48,44,257	(35,26,982)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation	43,22,427	87,104
Profit on Sale of Fixed Assets	(1,08,180)	-
Cost towards Scrapping of Assets	2,02,070	6,22,966
Raw Materials Scrapped	-	5,49,776
Bad Debts Provision/Written Off	-	6,56,752
Interest Received		
Operating Profit before working capital changes	92,60,574	(16,10,384)
Movement in Working Capital		
Trade Receivable	-	5,96,628
Advances	(29,85,249)	(5,63,105)
Inventories	-	29,76,446
Trade Payable	(1,05,69,400)	1,07,84,596
Other Current Liabilities	98,26,898	(2,36,874)
Other Current Assets	(39,71,890)	3,28,028
Cash generated from Operations	15,60,933	1,22,75,335
Income Taxes paid/Refund		2,29,667
Net Cash generated from Operating Activities	A 15,60,933	1,25,05,002
Cash flow from Investing Activities		
Purchase of Fixed Assets (Including Capital work-in-progress and Capital Advance)	(9,02,10,526)	(20,56,48,215)
Sale of Property, Plant and Equipments	1,53,390	-
Interest Received		
Net Cash from/ (used in) Investing Activities	B (9,00,57,136)	(20,56,48,215)
Cash flow from financing Activities		
Long Term Borrowings	5,91,11,517	17,31,50,457
Lease Deposit Received	2,10,00,000	1,50,00,000
Net Cash from/ (used in) financing Activities	C 8,01,11,517	18,81,50,457
Net Increase / (Decrease) in Cash and Cash Equivalents	D=A+B+C (83,84,686)	(49,92,754)
Cash and Cash Equivalents at the beginning of the year	1,01,25,742	1,51,18,496
Cash and Cash Equivalents at the end of the year	17,41,056	1,01,25,742
Net Change in Cash And Cash Equivalents	(83,84,686)	(49,92,754)

As per our report annexed
For **M.S.Jagannathan & N.Krishnaswami**
Chartered Accountants
Firm Registration Number: 001208S

On behalf of the Board of Directors
For Madras Chipboard Ltd

K. Srinivasan
Partner
M.No : 021510
Trichy

UDIN: 23021510BGTPGN6221
22nd May 2023
Rajapalayam

N.K. Ramaswami Raja
Director
DIN : 00432698

P.J. Ramkumar Rajha
Director
DIN : 00487193

MADRAS CHIPBOARD LIMITED

Notes to 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, 1956. 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 leasing of commercial spaces.

The financial statements of the Company for the year ended 31st March, 2023 were approved and adopted by Board of Directors of the Company in their meeting dated 22nd May, 2023

2. Statement of Ind AS Compliance

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, and presentation requirements of Division II of Ind AS compliant Schedule III to the Companies Act, 2013

3. Basis of Preparation of Separate Financial Statements

- (i) The significant accounting policies used in preparing the financial statements are set out in Note No.5.
- (ii) 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.
- (iii) 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.
- (iv) The Company has considered its operating cycle as 12 months for the purpose of Current or Non-current classification of assets and liabilities.

4. Basis of Measurement

The financial statements have been prepared on accrual basis under historical cost convention except for certain financial instruments (Refer Note 50 - Accounting Policy for Financial Instruments) which are measured at fair value.

MADRAS CHIPBOARD LIMITED

5. Significant Accounting Policies.

A. 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.

B. 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.
- (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.

C. Property, Plant and Equipments (PPE)

- (i) PPEs are stated at cost of acquisition or construction (net of tax credit 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 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

MADRAS CHIPBOARD LIMITED

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.

- (iii) 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.
- (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.

D. 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/ Services

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.

MADRAS CHIPBOARD LIMITED

(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.

E. 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.
- (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.

F. Borrowing Costs

- (i) 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

MADRAS CHIPBOARD LIMITED

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.

G 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.

H. 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.

I. 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.
- (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.

MADRAS CHIPBOARD LIMITED

- (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.

J. 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.

K. Operating Segments

The Company has no separate reportable segments.

L. 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.
- (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.

MADRAS CHIPBOARD LIMITED

M. 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:
 - a) Amortised cost; or
 - b) Fair value through other comprehensive income (FVTOCI); or
 - c) 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 cashflows and selling financial assets.

- (iv) 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.

MADRAS CHIPBOARD LIMITED

- (v) 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.
- (vi) 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:

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.

N. 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) 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.
- (iii) 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.

MADRAS CHIPBOARD LIMITED

O. 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 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.

P. 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 effects 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

MADRAS CHIPBOARD LIMITED

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.

(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.

MADRAS CHIPBOARD LIMITED

Note No. 6 :

Plant Property and Equipments

(Amount in ₹)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01-Apr-22	Additions	With drawn	As at 31-Mar-23	Up to 31-Mar-22	For the Year	Withdrawn	Up to 31-Mar-23	As at 31-Mar-23	As at 31-Mar-22
Land	10,623			10,623					10,623	10,623
Buildings	34,94,316	29,16,59,267	4,18,027	29,47,35,556	21,49,314	42,22,847	2,86,597	60,85,564	28,86,49,992	13,45,002
Plant and machinery	1,03,355			1,03,355	74,822	6,780		81,602	21,753	28,533
Electrical Machinery	5,32,268	2,93,000	5,32,268	2,93,000	4,59,284	24,116	4,62,522	20,878	2,72,122	72,984
Furniture & office equipments	1,23,320	3,94,020	17,888	4,99,452	1,14,226	62,914	16,994	1,60,146	3,39,306	9,094
Vehicles	9,91,306		9,04,200	87,106	9,35,970	5,770	8,58,990	82,750	4,356	55,336
	52,55,188	29,23,46,287	18,72,383	29,57,29,092	37,33,616	43,22,427	16,25,103	64,30,940	28,92,98,152	15,21,572

Plant Property and Equipments

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01-Apr-21	Additions	With drawn	As at 31-Mar-22	Up to 31-Mar-21	For the Year	Withdrawn	Up to 31-Mar-22	As at 31-Mar-22	As at 31-Mar-21
Land	10,623			10,623					10,623	10,623
Buildings	54,47,595	19,53,279		34,94,316	34,15,733	63,894	13,30,313	21,49,314	13,45,002	20,31,862
Plant and machinery	1,03,355			1,03,355	68,041	6,781		74,822	28,533	35,314
Electrical Machinery	5,32,268			5,32,268	4,51,556	7,728		4,59,284	72,984	80,712
Furniture & office equipments	1,23,320			1,23,320	1,11,296	2,930		1,14,226	9,094	12,024
Vehicles	9,91,306			9,91,306	9,30,199	5,771		9,35,970	55,336	61,107
	72,08,467	19,53,279		52,55,188	49,76,825	87,104	13,30,313	37,33,616	15,21,572	22,31,642

MADRAS CHIPBOARD LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

	(Amount in ₹)	
	31-03-2023	31-03-2022
Note No. 7		
Capital Work In Progress		
Building Construction	-	12,01,60,679
	-	12,01,60,679
Note No. 8		
Other Non Current Assets		
Capital Advance for Building Construction	40,46,321	8,60,21,403
	40,46,321	8,60,21,403
Note No. 9		
Cash and Bank Balance		
Cash on hand	2,679	1,263
Balance with Bank In Current Account	16,34,794	99,49,458
	16,37,473	99,50,721
Note No. 10		
Bank Balances other than Cash and Cash Equivalentts		
Earmarked balances with Banks for Unclaimed Dividend	1,03,583	1,75,021
	1,03,583	1,75,021
Note No. 11		
Loans And Advances		
Unsecured, Considered Good		
Advance to Suppliers or Others	3,304	6,29,450
Tax Credit and refund due	36,11,395	-
	36,14,699	6,29,450
Note No. 12		
Other Current Assets		
Security Deposits	5,18,814	2,38,814
Prepaid Expenses	2,11,982	86,032
Other Current Assets	38,99,810	3,33,870
	46,30,606	6,58,716

MADRAS CHIPBOARD LIMITED

(Amount in ₹)

31-03-2023

31-03-2022

Note No. 13

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
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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
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Less : Calls in arrears due from persons

Other than Directors (Time Barred)	6,739	6,739
	24,11,861	24,11,861

Reconciliation of the number of shares outstanding

Particulars	As at 31-03-2023		As at 31-03-2022	
	No.of Shares	Amount	No.of Shares	Amount
Number of Equity shares at the beginning of the year	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

Details of shareholdings for more than 5% of the Company

Particulars	As at 31-03-2023		As at 31-03-2022	
	No.of Shares	% of holding	No.of Shares	% of holding
The Ramaraju Surgical Cotton Mills Limited	18,143	75.01	18,143	75.01
Investor Educational And Protection Fund	3,545	14.66	3,260	13.47

MADRAS CHIPBOARD LIMITED

	(Amount in ₹)	
	31-03-2023	31-03-2022
Note No. 14		
Reserves and surplus		
General Reserve		
Opening Balance	1,59,92,926	1,95,19,908
	1,59,92,926	1,95,19,908
Add : Transfer from Surplus Account	35,89,566	(35,26,982)
	1,95,82,492	1,59,92,926
Surplus in the statement of Profit and Loss		
Opening balance		
Add: Profit for the Year	35,89,566	(35,26,982)
Transfer to General Reserve	35,89,566	(35,26,982)
Closing balance	1,95,82,492	1,59,92,926
	1,95,82,492	1,59,92,926
Note No. 15		
Long-Term Borrowings		
Secured		
Term Loans from Banks	21,23,61,974	17,02,50,457
Unsecured		
Loand and Advances from related parties (Refer to Note No.30)	1,99,00,000	29,00,000
	23,22,61,974	17,31,50,457
Note No. 16		
Deferred Tax Liabilities		
Tax effect on difference between book depreciation and IT Depreciation	13,07,308	52,617
	13,07,308	52,617
Note No. 17		
Other Non Current Liabilities		
Rent Deposits	3,60,00,000	1,50,00,000
	3,60,00,000	1,50,00,000

MADRAS CHIPBOARD LIMITED

	31-03-2023	31-03-2022
		(Amount in ₹)
<hr/>		
Note No. 18		
Trade Pyables		
Dues of Micro enterprises and Small Enterprises	-	-
Dues of creditors other than micro enterprises and small enterprises	11,33,094	1,17,02,494
	<u>11,33,094</u>	<u>1,17,02,494</u>
Note No. 19		
Other Current Liabilities		
Unclaimed Dividends	1,03,583	1,75,021
Other Payables	1,03,72,960	3,18,493
	<u>1,04,76,543</u>	<u>4,93,514</u>
Note No. 20		
Provisions		
Provision for Employee Benefits, Short term provision	1,57,562	3,13,693
	<u>1,57,562</u>	<u>3,13,693</u>
Note No. 21		
Revenue from Operations		
Sale of Products		
Flush Door	-	2,29,772
Sale of Services		
Income from Lease rent	3,60,00,000	-
	<u>3,60,00,000</u>	<u>2,29,772</u>

MADRAS CHIPBOARD LIMITED

	(Amount in ₹)	
	31-03-2023	31-03-2022
Note No. 22		
Other Income		
Interest Received	1,02,697	25,240
Profit on Sale of Assets	1,08,180	-
Miscellaneous Income	2,70,872	-
	4,81,749	25,240
 Note No. 23		
Cost of Materials Consumed		
Raw Materials Consumed	-	2,08,883
	-	2,08,883
 Note No. 24		
Employee Benefit Expenses		
Salaries, Wages and Bonus	28,88,977	6,69,048
Contribution to Provident and Other Funds	4,44,864	65,340
Staff and Labour Welfare Expenses	4,221	-
	33,38,062	7,34,388
 Note No. 25		
Finance Cost		
Interest on Debts and Borrowings	2,05,92,503	-
	2,05,92,503	-
 Note No. 26		
Depreciation		
Depreciation for the year on Plant, Property and Equipments	64,30,940	37,33,616
	64,30,940	37,33,616

MADRAS CHIPBOARD LIMITED

(Amount in ₹)

31-03-2023

31-03-2022

Note No. 27

Other Expenses

Manufacturing Expenses

Power and Fuel	12,07,246	-
Repairs to buildings	95,495	-
Repairs to Plant and Machinery	36,587	22,475
Repairs General	7,80,049	-
	21,19,377	22,475

Establishment Expenses

Managing Director's Remuneration		
Cost towards Scrapping of Assets	2,02,070	11,72,742
Rates and Taxes	1,66,622	1,24,246
Postage and Telephone	32,766	47,801
Printing and Stationery	73,665	69,710
Travelling Expenses	7,483	3,000
Vehicle Maintenance	34,188	83,863
Insurance	2,36,425	1,00,418
Directors Sitting Fees	1,40,000	2,05,000
Audit Fees and Legal Expenses	1,67,500	1,27,080
Miscellaneous Expenses	1,74,746	1,38,532
Bad Debts Written Off	29,658	6,56,752
Provision for Bad & Doubtful Debts		
	12,65,123	27,29,144
Total	33,84,500	27,51,619

MADRAS CHIPBOARD LIMITED

	(Amount in ₹)	
	2022-23	2021-22
Note No. 28		
As per Ind AS 19, the disclosures pertaining to “Employee Benefits” are given below:		
Defined Contribution Plan:		
Employer’s Contribution to Provident Fund	1,22,202	60,768
Details of the post retirement gratuity plan (Funded) are as follows:		
Movements in the present value of define benefit obligation:		
Opening defined Benefit Obligation	17,20,861	14,32,953
Current Service Cost	1,13,636	7,297
Interest Cost	77,669	63,724
Actuarial (gain) / loss	(3,11,266)	(26,52,849)
Benefits paid	(76,717)	28,69,736
Closing Defined Benefit obligation	15,24,182	17,20,861
Movement in the present value of plan assets:		
Opening fair value of plan assets	17,30,267	42,80,115
Expected return on plan assets	1,21,523	2,02,328
Actuarial gain / (loss)	1,98,472	-
Employer Contribution	(3,11,266)	(26,52,849)
Benefits paid	26,140	(99,327)
Closing fair value of plan assets	17,65,135	17,30,267
The amount included in the Statement of Financial position arising from the entity’s obligation in respect of its define benefit plans:		
Present value of obligation	15,24,182	17,30,267
Fair value of plan assets	17,65,135	17,20,861
Present value of Funded defined obligation	(2,40,953)	(9,406)

MADRAS CHIPBOARD LIMITED

	(Amount in ₹)	
	2022-23	2021-22
Cost of define benefit plan:		
Current Service Cost	77,669	63,724
Interest Cost	(7,887)	7,297
Net Cost Recognized in the Income Statement	69,782	71,021
Expected return on plan assets (To the extent it does not represent an adjustment to Interest Cost)	1,21,523	2,02,328
Actuarial (gain) / loss	26,140	(99,327)
Net Cost recognized in the Other Comprehensive Income	1,47,662	1,03,001
Major Categories of Plan Assets:		
	31-03-2022	31-03-2021
GOI Securities	-	-
Funds with LIC	17,65,135	17,30,267
Others	-	-
Total	17,65,135	17,30,267
Actuarial assumptions:		
Discount rate p.a	7.69%	7.76%
Rate of escalation in salary p.a	5.50%	5.50%

Estimate of Expected Benefit payments

Particulars	31-03-2023	31-03-2022
Year 1	72,815	75,155
Year 2	11,66,542	12,33,752
Year 3	21,512	27,938
Year 4	22,052	29,147
Year 5	22,625	29,893
Next 5 Years	1,22,817	1,62,326

Quantitative Sensitivity Analysis for Significant Assumptions

Particulars	31-03-2023	31-03-2022
0.50% Increase in Discount Rate	14,89,660	16,75,312
0.50% Decrease in Discount Rate	15,60,832	17,69,690
0.50% Increase in Salary Growth Rate	15,62,270	17,71,605
0.50% Decrease in Salary Growth Rate	14,88,007	16,73,145

MADRAS CHIPBOARD LIMITED

Note No.29

Earnings per Share

Particulars		31-03-2023	31-03-2022
Net profit /(Loss) after tax (Rs. in Lakhs)	(A)	35,89,566	(35,26,982)
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 (in Rs)	(A)/(B)	148.42	(145.83)

Note No.30

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 2023:

a. Key Managerial Personnel

Name of the Key Managerial Personnel	Designation
Shri N K Ramasuwami Raja	Director
Shri N.R.K. Ramkumar Raja	Director
Smt Nalina Ramalakshmi	Director
Shri S Neethiraj	Director
Smt D Swarnalukshme	Director
Shri P J Ramkumar Rajha	Director
Shri S J Srikanth	Director
Shri A.R.S. Chaithanya	Director

b. Companies over which KMP/ Relatives of KMP exercise significant influence

M/s.The Ramaraju Surgical Cotton Mills Limited

c. Employee Benefit Funds where control exists

Madras Chipboard Ltd Employees' Gratuity Fund

d. 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:

Name of the Related Party	Amount 2022-23	Amount 2021-22	₹ in Rupees
			Nature of Payment
Shri. N.K. Ramasuwami Raja	20,000	30,000	Sitting Fees
Smt.D.Swarnalukshme	15,000	25,000	Sitting Fees
Shri.S.J.Srikanth	20,000	20,000	Sitting Fees
Shri.N.R.K.Ramkumar Raja	15,000	30,000	Sitting Fees
Smt.R.Nalina Ramalakshmi	10,000	25,000	Sitting Fees
Shri.S.Neethiraj	20,000	20,000	Sitting Fees
Shri. A.R.S. Chaithanya	20,000	25,000	Sitting Fees
Shri.P.J.Ramkumar Rajha	20,000	30,000	Sitting Fees

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

Name of the Related Party	Value	
	2022-23	2021-22
i) Cost of Goods & Services purchased / availed		
M/s. The Ramaraju Surgical Cotton Mills Ltd	3,60,00,000	-

ii) Maximum amount of loans and advances/(borrowings) outstanding during the year KMP

Shri. N.R.K.Ramkumar Raja	99,00,000	1,72,00,000
Smt.Nalina Ramalakshmi	1,00,00,000	-

iii) Outstanding Balance including commitments

Shri. N.R.K.Ramkumar Raja	99,00,000	29,00,000
Smt.Nalina Ramalakshmi	1,00,00,000	-

MADRAS CHIPBOARD LIMITED

Note No. 31

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.

Financial Instruments by category

₹ in Rupees

Particulars	Amortised Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
As at 31-03-2023					
Financial Assets					
Trade Receivables	-	-	-	-	-
Cash and Bank Balances	16,37,473	-	-	16,37,473	16,67,131
Other Financial Assets	-	-	-	-	-
Financial Liabilities					
Borrowings	-	-	-		
Trade Payables	11,33,094	-	-	11,33,094	11,33,094
Other Financial Liabilities	-	-	-	-	-
As at 31-03-2022					
Financial Assets					
Trade Receivables	-	-	-	-	-
Cash and Bank Balances	99,50,721	-	-	99,50,721	99,50,721
Other Financial Assets	-	-	-	-	-
Financial Liabilities					
Borrowings	-	-	-		
Trade Payables	1,17,02,494	-	-	1,17,02,494	1,17,02,494
Other Financial Liabilities	-	-	-	-	-

MADRAS CHIPBOARD LIMITED

Note No.32

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.

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.

MADRAS CHIPBOARD LIMITED

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.

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.

Note No.33

Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the Shareholders' wealth.

MADRAS CHIPBOARD LIMITED

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus Debt.

Particulars	₹ in Rupees	
	31-03-2023	31-03-2022
Long Term Borrowings	23,22,61,974	17,31,50,457
Current maturities of Long Term borrowings	-	-
Short Term Borrowings	-	-
Less: Cash and Cash Equivalents	16,37,473	99,50,721
Net Debt (A)	23,06,24,501	16,31,99,736
Equity Share Capital	24,11,861	24,11,861
Other Equity	1,95,82,492	1,59,92,925
Total Equity (B)	2,19,94,353	1,84,04,786
Total Capital Employed (C) = (A) + (B)	25,26,18,854	18,16,04,522
Capital Gearing Ratio (A) / (C)	91%	90%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans/borrowing. The Company has been consistently focusing on reduction in long term borrowings. There are no significant changes in the objectives, policies or processes for managing capital during the years ended 31-03-2023 and 31-03-2022.

As per our report annexed
For **M.S.Jagannathan & N.Krishnaswami**
Chartered Accountants
Firm Registration Number: 001208S

On behalf of the Board of Directors
For Madras Chipboard Ltd

K. Srinivasan
Partner
M.No : 021510
Trichy

UDIN: 23021510BGTPGN6221
22nd May 2023
Rajapalayam

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 Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

MADRAS CHIPBOARD LIMITED

[CIN: U17100TN1961PLC004457]

Registered Office: No.53, Annamaraja Nagar, Sankarankovil Road.
Rajapalayam, Virudhunagar- 626117. Tamil Nadu.

Name of the member(s) :
Registered address :
E-mail ID :
Folio No. / Client ID. :
DP 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 62nd Annual General Meeting of the Company, to be held on Thursday, the 10th August 2023 at 11.00 A.M. at Registered Office, Factory Premises, No.53, Annamaraja Nagar, Sankarankoil Road, Rajapalayam, Virudhunagar-626 117, Tamil Nadu and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
	Ordinary Business:
1	Adoption of Financial Statements for the year ended 31 st March, 2023
2	Appointment of Shri NK Ramasuwami Raja, who retires by rotation and is hereby eligible for re-appointment as Director.
3	Appointment of Shri A R S Chaithanya, who retires by rotation and is hereby eligible for re-appointment as Director.
4	Appointment of Shri N R K Ramkumar Raja, who retires by rotation and is hereby eligible for re-appointment as Director.
5	Appointment of Smt Nalina Ramalakshmi, who retires by rotation and is hereby eligible for re-appointment as Director.

Signed thisday of 2023

Signature of Shareholder:

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.

