

# MADRAS CHIPBOARD LTD., RAJAPALAYAM

## BOARD OF DIRECTORS

Shri N.K. RAMASUWAMI RAJA  
Chairman and Managing Director

Shri S. NEETHIRAJ

Shri P.J. RAMKUMAR RAJHA

Smt D. SWARNALUKSHME

Shri S.J. SRIKANTH

Shri. A.R.S. CHAITHANYA  
(w.e.f. 14.11.2019)

## REGISTERED OFFICE & FACTORY :

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

## Corporate Identification Number :

U20293TN1961PLC004457

## Goods and Service Tax Number :

GSTIN : 33AABCM2590F1ZR

E-mail : [madraschipboardltd@gmail.com](mailto:madraschipboardltd@gmail.com)  
[madraschipboard@dataone.in](mailto:madraschipboard@dataone.in)

Phone No: 04563 - 230756, 230913

Fax No : 04563 - 223844

## Website :

[www.madraschipboard.com](http://www.madraschipboard.com)

## BANKERS

State Bank of India  
Indian Bank

## 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.  
Tamilnadu.

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**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**NOTICE**

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**NOTICE TO THE MEMBERS**

Notice is hereby given that the 59th Annual General Meeting of the Company will be held at 10.30 A.M on Thursday the 10th September, at Registered Office of the Company, Annamaraja Nagar, Sankarankoil Road, Rajapalayam-626 117, Tamilnadu to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:

"RESOLVED that the Directors' Report and the Company's Statement of Profit & Loss for the year ended 31st March, 2020, 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. P.J. RAMKUMAR RAJHA, (DIN 00487193) who retires by rotation, be and is hereby elected as Director of the Company".

3. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:

"RESOLVED that Shri. S.J. SRIKANTH, (DIN 06731545) who retires by rotation, be and is hereby elected as Director of the Company".

4. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:

"RESOLVED that pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Shri A.R.S. Chaithanya (DIN: 0008592582), appointed as an Additional Director of the Company on 14-11-2019 pursuant to the provisions of Section 161 of the Companies Act, 2013 and who holds office upto the date of this Annual General Meeting, and being eligible, offer himself for appointment and in respect of whom the Company has received a notice in writing from a Member pursuant to the provisions of Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Shri A.R.S. Chaithanya, for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**NOTICE**

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**STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No: 4**

The Board of Directors had appointed Shri A.R.S. Chaithanya (DIN: 0008592582) as Additional Director on 14th November, 2019.

Shri A.R.S. Chaithanya, aged 41, has a Bachelor's degree in Commerce and Masters in Business Administration (Finance).

In terms of Section 161 (1) of the Companies Act, 2013, Shri A.R.S. Chaithanya holds Office as Additional Director upto the date of the forthcoming Annual General Meeting.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 from a Member signifying his intention to propose the appointment of Shri A.R.S. Chaithanya as a Director.

Shri A.R.S. Chaithanya holds 6 Nos. of Shares in the Company as on 31-03-2020.

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

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

None of the Directors of the Company and their relatives is concerned or interested in the Resolution.

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**NOTICE**

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**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 02-09-2020 to 10-09-2020 (both days inclusive)
3. Under Section 124 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules, 2016'), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government.

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

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

<b>FINANCIAL YEAR ENDED</b>	<b>DATE OF DECLARATION OF DIVIDEND</b>	<b>LAST DATE FOR CLAIMING UNPAID DIVIDEND</b>	<b>DUE DATE FOR TRANSFER TO IEP FUND</b>
31-03-2013	05-08-2013	04-08-2020	03-09-2020
31-03-2014	06-08-2014	05-08-2021	04-09-2021
31-03-2015	03-08-2015	02-08-2022	01-09-2022
31-03-2016	05-08-2016	04-08-2023	03-09-2023
31-03-2017	03-08-2017	02-08-2024	01-09-2024
31-03-2018	04-08-2018	03-08-2025	02-09-2025
31-03-2019	03-08-2019	02-08-2026	01-09-2026

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**NOTICE**

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4. In accordance with Section 124(6) of the Companies Act, 2013 and IEPF Rules 2016, the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to the designated Demat Account of the IEPF Authority ('IEPF Account') within a period of thirty days of such shares becoming due to be transferred to the IEPF Account. Accordingly, the Company had transferred 138 shares of Rs. 100 each to the IEPF Account on which the dividends remained unpaid or unclaimed for seven consecutive years by following the prescribed procedure. Further, all the shareholders who have not claimed/ encashed their dividends in the last seven consecutive years from 2013 are requested to claim the same by 20th July, 2020. In case valid claim is not received by that date, the Company will proceed to transfer the respective shares to the IEPF Account in terms of the IEPF Rules. In this regard, the Company has individually informed the shareholders concerned and also published notice in the newspapers as per the IEPF Rules. The statement containing the details of the Shareholders and the shares due for transfer is also uploaded on the Company's website, <http://www.madraschipboard.com> for information and necessary action by the Shareholders. In the event of the Shareholders not claiming the dividend and the shares are transferred to IEPF, the Shareholders are still entitled to claim the shares from IEPF by making an online application in Form No: IEPF-5 to the IEPF Authority. The procedure and the form are available at <http://www.madraschipboard.com> and also on [www.iepf.gov.in](http://www.iepf.gov.in)

By Order of the Board of Directors,  
For MADRAS CHIPBOARD LTD,

N.K. RAMASUWAMI RAJA  
CHAIRMAN & MANAGING DIRECTOR  
DIN: 00432698

RAJAPALAYAM  
23<sup>rd</sup> JUNE, 2020

# **MADRAS CHIPBOARD LTD., RAJAPALAYAM**

## **DIRECTORS' REPORT**

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### **TO THE MEMBERS,**

Your Directors have pleasure in presenting their 59th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2020.

### **1. FINANCIAL RESULTS**

The Financial results for the year ended 31st March, 2020, after charging all expenses but before deducting Finance Costs and Depreciation have resulted in Operating Profit of Rs. 3,18,246/- against Rs. 21,90,553/- for the previous financial year 2018-19

After deducting Rs.24,339/- towards finance cost and providing Rs.2,77,812/- towards Depreciation, the Net Profit for the year is Rs. 16,095/- Adding the surplus of Rs. 11,29,462/- brought forward from the previous year, your Directors propose to appropriate the total sum of Rs. 11,45,557/- as detailed below:

<b>Provision for Taxation :</b>	Rs.
Current Tax	3,930
Deferred Tax	(1,062)
Balance Carried over to Balance Sheet	11,42,689
<b>TOTAL</b>	<b>Rs. 11,45,557</b>

### **2. SHARE CAPITAL**

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

### **3. DIVIDEND**

Considering financial position of the Company, your Directors are not recommending any dividend for the year 2019-2020.

### **4. TAXATION**

The Company has provided an amount of Rs.0.04 Lakhs towards Current Tax and Deferred Tax Liability has been reversed to the extent of Rs. 0.01 Lakh.

### **5. TRADE CONDITIONS**

During the year the company turnover was Rs. 230.23 Lakhs when compared to Rs. 273.79 Lakhs for the previous year registering decline of Rs. 43.56 Lakhs. This was an account of

## **MADRAS CHIPBOARD LTD., RAJAPALAYAM**

### **DIRECTORS' REPORT**

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sluggish demand in the construction industry. The company optimized the cost to earn a reasonable profit.

#### **6. PROSPECTS FOR CURRENT YEAR**

The market is showing signs of revival and the performance during the current year is expected to be satisfactory.

#### **7. INDUSTRIAL RELATIONS AND PERSONNEL**

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

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.

#### **8. 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.

#### **9. DIRECTORS**

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

1. Shri. P.J. RAMKUMAR RAJHA, (DIN 00487193)

2. Shri. S.J. SRIKANTH, (DIN 06731545)

Shri A.R.S. Chaithanya (DIN: 0008592582) has been co-opted on 14th November, 2019 as an Additional Director. He will hold the office till the date of the forthcoming Annual General Meeting. A Notice in writing has been received from a Member signifying his intention to propose the appointment of Shri A.R.S. Chaithanya as a Director at the Annual General Meeting.

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**DIRECTORS' REPORT**

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Shri S.S.R. Rajkumar Director of the Company has resigned from the company with effect from 31-08-2019.

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

**10. MEETINGS OF THE BOARD**

During the year Four Board meetings were convened and held on 24-05-2019, 10-08-2019, 14-11-2019, and 13-02-2020.

**11. PUBLIC DEPOSIT**

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

**12. 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.

**13. PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS**

The Company has not given any loans, guarantees during the year 2019-20 and do not have any investments under Section 186 of the Companies Act, 2013.

**14. AUDITORS**

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

The report of the Statutory Auditor for the year ended 31st March, 2020 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.

**15. 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**



## **MADRAS CHIPBOARD LTD., RAJAPALAYAM**

### **DIRECTORS' REPORT**

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#### **16. EXTRACT OF ANNUAL RETURN**

In Accordance with Section 92 (3) of the Companies Act, 2013, read with Rule 12 (1) of Companies (Management and Administration) Rules, 2014, an extract of the annual return in Form MGT-9 is given in **Annexure-II**

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

#### **17. RELATED PARTY TRANSACTION**

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

#### **18. 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.

#### **19. 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, 2020 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 LTD., RAJAPALAYAM**  
**DIRECTORS' REPORT**

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**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE  
(PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

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

The following is a summary of sexual harassment complaints received and disposed off during the year 2019-20

No. of complaints received: Nil

No. of complaints disposed off: Nil

**ACKNOWLEDGEMENT**

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

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

On behalf of the Board of Directors,  
For MADRAS CHIPBOARD LTD,

RAJAPALAYAM  
23<sup>rd</sup> JUNE, 2020

N.K. RAMASUWAMI RAJA  
CHAIRMAN & MANAGING DIRECTOR  
DIN: 00432698

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**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:

<b>A)</b>	<b><u>CONSERVATION OF ENERGY:</u></b>	
	(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>B)</b>	<b><u>TECHNOLOGY ABSORPTION:</u></b>	
	(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
<b>C)</b>	<b><u>FOREIGN EXCHANGE EARNINGS AND OUTGO:</u></b>	
	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 LTD., RAJAPALAYAM**  
**ANNEXURE-II TO DIRECTORS' REPORT**

**Form No.MGT-9**

**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31<sup>st</sup> March, 2020**

[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	U20293TN1961PLC004457
Registration Date	29-03-1961
Name of the Company	MADRAS CHIPBOARD LTD
Category / Sub-Category of the Company	Public Limited Company
Address of the Registered office and Contact details	No.53, Annamaraja Nagar, Sankarankovil Road, Rajapalayam-626 117.
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: <a href="mailto:investor@cameoindia.com">investor@cameoindia.com</a> Web : <a href="http://www.cameoindia.com">www.cameoindia.com</a>

**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
FLUSH DOORS	16213	97%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
----- NIL -----				

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**ANNEXURE-II TO DIRECTORS' REPORT**

**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 01-04-2019				No. of Shares held at the end of the year as on 31-03-2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
<b>(1)</b>	<b>Indian</b>									
a)	Individuals/ Hindu Undivided Family	10,586	4,979	15,565	64.36	11,166	4,399	15,565	64.36	-
b)	Central Government	-	-	-	-	-	-	-	-	-
c)	State Government(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corporate	-	-	-	-	-	-	-	-	-
e)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
f)	IEPF Authority	-	-	-	-	-	-	-	-	-
g)	Any Others...	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(1)</b>		<b>10,586</b>	<b>4,979</b>	<b>15,565</b>	<b>64.36</b>	<b>11,166</b>	<b>4,399</b>	<b>15,565</b>	<b>64.36</b>	<b>-</b>
<b>B.</b>	<b>Foreign</b>									
a)	NRIs- Individuals	-	-	-	-	-	-	-	-	-
b)	Other Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
e)	Any Others...	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(2)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>		<b>10,586</b>	<b>4,979</b>	<b>15,565</b>	<b>64.36</b>	<b>11,166</b>	<b>4,399</b>	<b>15,565</b>	<b>64.36</b>	<b>-</b>
<b>B.</b>	<b>Public shareholding</b>									
<b>1.</b>	<b>Institutions</b>									
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**ANNEXURE-II TO DIRECTORS' REPORT**

c)	Central Government	-	-	-	-	-	-	-	-	-
d)	State Government(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Other (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub Total (B)(1)</b>		-	-	-	-	-	-	-	-	-
<b>(2)</b>	<b>Non-Institutions</b>									
<b>a)</b>	Bodies Corporate	-	-	-	-	-	-	-	-	-
i)	Indian	-	-	-	-	-	-	-	-	-
ii)	Overseas	-	-	-	-	-	-	-	-	-
<b>b)</b>	Individuals									
i)	Individual shareholders holding nominal share capital up to Rs. 1 lakh	1,349	4,568	5,917	24.46	1,490	4,427	5,917	24.46	-
ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
<b>(c)</b>	Others (specify) IEPF Account	2,704	-	2,704	11.18	2,704	-	2,704	11.18	-
<b>Sub Total (B)(2)</b>		<b>4,053</b>	<b>4,568</b>	<b>8,621</b>	<b>35.64</b>	<b>4,194</b>	<b>4,427</b>	<b>8,621</b>	<b>35.64</b>	<b>-</b>
<b>B</b>	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>4,053</b>	<b>4,568</b>	<b>8,621</b>	<b>35.64</b>	<b>4,194</b>	<b>4,427</b>	<b>8,621</b>	<b>35.64</b>	<b>-</b>
<b>(c)</b>	Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL (A)+(B)+(C)</b>		<b>14,639</b>	<b>9,547</b>	<b>24,186</b>	<b>100</b>	<b>15,360</b>	<b>8,826</b>	<b>24,186</b>	<b>100</b>	<b>-</b>

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**ANNEXURE-II TO DIRECTORS' REPORT**

(ii) Shareholding of Promoters

Shareholder's 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	
Smt. R. Sudarsanam	157	0.64	-	157	0.64	-	-
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	-	-
Shri. S.S. Ramachandra Raja	25	0.10	-	25	0.10	-	-
Smt. R. Chittammal	20	0.08	-	20	0.08	-	-
Shri. N.K. Ramasuwami Raja	6,860	28.37	-	6,860	28.37	-	-
Smt. N.R. Radha	1,469	6.07	-	1,469	6.07	-	-
Smt. R. Rajalakshmi	420	1.74	-	420	1.74	-	-
Smt. S. Praveena Sethulakshmi	430	1.78	-	430	1.78	-	-
Smt. B. Annaphurni	400	1.65	-	400	1.65	-	-
Smt. D. Swarnalukshme	400	1.65	-	400	1.65	-	-
Shri. S.A. Ramesh	150	0.62	-	150	0.62	-	-
Shri. S.J. Srikanth	150	0.62	-	150	0.62	-	-
Shri. P.R. Bhimsankar	150	0.62	-	150	0.62	-	-
Shri. D.V. Dharmasing	150	0.62	-	150	0.62	-	-
Shri. N.K. Shrikantan Raja	827	3.42	-	827	3.42	-	-
Shri. N.R.K. Venkatesh Raja	1,477	6.11	-	1,477	6.11	-	-
Shri. N.R.K. Ramkumar Raja	1,352	5.59	-	1,352	5.59	-	-
Smt. P.S. Ramani Devi	620	2.56	-	620	2.56	-	-
Selvan. S. Ramjanardhan	41	0.17	-	41	0.17	-	-
Selvan. B. Ragul Rajuram	11	0.05	-	11	0.05	-	-
Smt. R. Vaisali	61	0.25	-	61	0.25	-	-
Selvi. R. Vaisnavi	36	0.15	-	36	0.15	-	-
Selvi. S. Anjanaa Devi	50	0.21	-	50	0.21	-	-
Selvi. B. Reshma Pankaj	12	0.05	-	12	0.05	-	-
Selvi. D. Sumedha	16	0.06	-	16	0.06	-	-
Selvan. D. Venkatrama Rajha	15	0.06	-	15	0.06	-	-
Shri. S.S.R. Rajkumar	50	0.21	-	50	0.21	-	-
Shri. S. Neethiraj	60	0.25	-	60	0.25	-	-
Shri. P.J. Ramkumar Rajha	51	0.21	-	51	0.21	-	-
<b>TOTAL</b>	<b>15,565</b>	<b>64.36</b>	<b>-</b>	<b>15,565</b>	<b>64.36</b>	<b>-</b>	<b>-</b>

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**ANNEXURE-II TO DIRECTORS' REPORT**

(iii) Change in Promoters' Shareholding

Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
No. of Shares at beginning (01-04-2019) / end of the year (31-03-2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
15,565	64.36	01-04-2019	NIL	NIL	NIL	NIL
15,565	64.36	31-03-2020	NIL	NIL	NIL	NIL

(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
Shri. N.S. Krishnama Raja	700	2.89	700	2.89
Smt. N.S. Vasantha	632	2.61	632	2.61
Shri. K.T. Srinivasan	150	0.62	150	0.62
Shri. N.J. Jaishankar Raja	122	0.50	122	0.50
Shri. S. Alagarsamy Raja	110	0.45	110	0.45
Shri. V.R. Ramkumar	110	0.45	110	0.45
Shri. K.S. Shanmugavel Nadar	106	0.44	106	0.44
Shri. K.S. Muthusingappa Raja	106	0.44	106	0.44
Shri. N.R. Krishnamurthy Raja	81	0.33	81	0.33
Smt. S. Mallika	66	0.27	66	0.27
	<b>2183</b>	<b>9.00</b>	<b>2183</b>	<b>9.00</b>

(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	6,860	28.37	6,860	28.37
Shri. S.S.R. Rajkumar (upto 31-Aug-2019)	50	0.21	50	0.21
Shri. S. Neethiraj	60	0.25	60	0.25
Smt. D. Swarnalukshme	400	1.65	400	1.65
Shri. P.J. Ramkumar Rajha	51	0.21	51	0.21
Shri. S.J. Srikanth	150	0.62	150	0.62
Shri. A.R.S. Chaithanya (from 14-Nov-2019)	6	0.02	6	0.02



**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**ANNEXURE-II TO DIRECTORS' REPORT**

**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
<b>Indebtedness at the Beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
Addition	-	-	-	-
Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

**VI.REMUNERATION OF DIRECTORS AND KEYMANAGERIAL PERSONNEL**

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

Sl. No	Particulars of Remuneration	SHRI. N K RAMASUWAMI RAJA Chairman & Managing Director	Total Amount Rs. in Lakhs
1.	Gross salary	7,20,000	7.20
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(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	-	-
5.	Sitting Fees	20,000	0.20
6.	Contribution to Provident Fund	86,400	0.86
	<b>TOTAL (A)</b>	<b>8,26,400</b>	<b>8.26</b>
	Ceilling as per Act	Limit of yearly remuneration payable shall not exceed Rs. 60 Lakhs as per Schedule V of the Companies Act, 2013 plus sitting fees for Board meeting attended during year 2019-20.	

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**ANNEXURE-II TO DIRECTORS' REPORT**

**B. Remuneration to other directors:**

**1. Independent Directors**

Sl. No	Particulars of Remuneration	Name of Directors	Total Amount in Lakhs
1.	Fee for attending board committee meetings	NIL	NIL
2.	Commission		
3.	Others please specify		
	<b>Total (1)</b>		

**2. Other Non Executive Director**

Particulars of Remuneration	Name of the Directors						Total Amount in Lakhs
	Shri. S.S.R. Rajkumar Upto 31 Aug 2019	Shri. S. Neethiraj	Shri. P.J. Ramkumar Rajha	Smt. D. Swarnalukshme	Shri. S.J. Srikanth	Shri. A.R.S. Chaithanya From 14 Nov 2019	
Fee for attending Board/ Committee Meetings	-	0.20	0.20	0.15	0.20	0.10	0.85
Commission	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
<b>Total (2)</b>	-	<b>0.20</b>	<b>0.20</b>	<b>0.15</b>	<b>0.20</b>	<b>0.10</b>	<b>0.85</b>
<b>Total B (1) + (2)</b>							<b>0.85</b>

**C.REMUNERATION TO KEYMANAGERIAL 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		
	<b>TOTAL</b>		

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**ANNEXURE-II TO DIRECTORS' REPORT**

**VII. 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)
<b>A. COMPANY</b>			NIL		
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>			NIL		
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>			NIL		
Penalty					
Punishment					
Compounding					

On behalf of the Board of Directors,  
For MADRAS CHIPBOARD LTD,

RAJAPALAYAM  
23<sup>rd</sup> JUNE, 2020

N.K. RAMASUWAMI RAJA  
CHAIRMAN & MANAGING DIRECTOR  
DIN: 00432698

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**INDEPENDENT AUDITOR'S REPORT**

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**To the Members of Madras Chipboard Ltd.,**

**Report on the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of Madras Chipboard Ltd., ("the Company"), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss and the Cash Flow Statement for the year ended 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 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 of the Company as at 31 March 2020, its Profit and its Cash Flow for the year ended on that date.

**Basis for Opinion**

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

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance, and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**INDEPENDENT AUDITOR'S REPORT**

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accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibility**

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism 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.
- (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.

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**INDEPENDENT AUDITOR'S REPORT**

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- (iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

**Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order
- 2) As required by section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**INDEPENDENT AUDITOR'S REPORT**

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- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2020 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 does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For M.S. JAGANATHAN & N. KRISHNASWAMI  
Chartered Accountants  
Firm Registration No. 001208S

TRICHY  
23<sup>rd</sup> JUNE, 2020

K. Srinivasan  
Partner  
Membership No. 021510

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

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Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended 31 March 2020:

**1) Fixed Assets**

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

**2) Inventory**

- 2.1 Management has conducted the physical verification of inventory at reasonable intervals.
  - 2.2 The discrepancies noticed on verification between the physical stocks and the book records were properly dealt with in the books of account and were not material.
- 3) The company has not granted any loan to parties covered in the register maintained under section 189 of the Act and accordingly, the provisions of clause 3 (iii) of the Order are not applicable to the Company.
  - 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and security.
  - 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

**6) Undisputed and Disputed taxes and duties**

- 6.1 The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Goods & Service Tax, Cess and any other statutory dues with the



**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

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appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

- 6.2 In our opinion and according to the information and explanations given to us, As the company is not having any overdue under dispute relating to Income tax, value added tax and Service tax, accordingly, the provisions of clause 3 (vii)(b) of the Order are not applicable to the Company.
- 7) The Company has not defaulted in repayment of dues to Financial Institutions or Banks. The Company has neither taken loans from the Government nor has issued any debentures during the year.
- 8) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 10) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 11) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 12) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 13) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

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15. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For M.S. JAGANATHAN & N. KRISHNASWAMI  
Chartered Accountants  
Firm Registration No. 001208S

TRICHY  
23<sup>rd</sup> JUNE, 2020

K. Srinivasan  
Partner  
Membership No. 021510

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**AUDITORS' REPORT TO SHAREHOLDERS**

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**"Annexure B" to the Independent Auditor's Report of even date on the Financial  
Statements of Madras Chipboard Ltd.,**

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

We have audited the internal financial controls over financial reporting of Madras Chipboard LTD., ("The Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Opinion**

In our opinion, and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**AUDITORS' REPORT TO SHAREHOLDERS**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**AUDITORS' REPORT TO SHAREHOLDERS**

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- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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. JAGANATHAN & N. KRISHNASWAMI  
Chartered Accountants  
Firm Registration No. 001208S

TRICHY  
23<sup>rd</sup> JUNE, 2020

K. Srinivasan  
Partner  
Membership No. 021510

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**BALANCE SHEET AS AT 31st MARCH 2020**

	Note No.	As at 31.03.2020	(Amount in Rupees) As at 31.03.2019
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	24,11,861	24,11,861
(b) Reserves and Surplus	2	<u>2,38,98,576</u>	<u>2,63,10,437</u>
			2,38,85,349
			2,62,97,210
<b>(2) Non-Current Liabilities</b>			
(a) Deferred Tax Liabilities	3	4,03,975	4,05,037
(b) Long Term Provisions	4	<u>60,87,139</u>	<u>64,91,114</u>
			54,77,752
			58,82,789
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	5	-	-
(b) Trade Payables		19,415	3,44,632
(c) Other Current Liabilities	6	16,38,622	19,23,488
(d) Short-Term Provisions	7	<u>3,34,714</u>	<u>19,92,751</u>
			6,79,128
			29,47,248
<b>TOTAL</b>		<u><u>3,47,94,302</u></u>	<u><u>3,51,27,247</u></u>
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>Fixed Assets</b>			
(i) Tangible Assets	8	35,71,382	38,41,895
		35,71,382	38,41,895
<b>(2) Current Assets</b>			
(a) Inventories	9	88,81,018	84,69,933
(b) Trade Receivables	10	40,60,709	40,01,706
(c) Cash and Bank Balances	11	1,05,40,712	1,23,38,962
(d) Short-Term Loan and advances	12	9,75,370	4,00,467
(e) Other Current Assets	13	<u>67,65,111</u>	<u>3,12,22,290</u>
			60,74,284
			3,12,85,352
<b>TOTAL</b>		<u><u>3,47,94,302</u></u>	<u><u>3,51,27,247</u></u>
<b>Significant Account Policies</b>	21		
<b>Notes on Financial Statements</b>	22		
The notes form an integral part of these financial statements			

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

For and on behalf of the Board

K. SRINIVASAN  
Partner  
Membership No. 021510  
Rajapalayam.  
23<sup>rd</sup> June 2020

N.K. RAMASUWAMI RAJA  
CHAIRMAN & MANAGING DIRECTOR  
DIN : 00432698

P.J. RAMKUMAR RAJHA  
DIRECTOR  
DIN : 00487193

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2020**

		Note No.	For the Year Ended 31.03.2020	(Amount in Rupees) For the Year Ended 31.03.2019
I	Revenue from Operations	14	2,30,23,134	2,73,78,578
II	Other Income	15	6,52,237	5,75,905
III	<b>Total Revenue (I+II)</b>		<u>2,36,75,371</u>	<u>2,79,54,483</u>
IV	<b>EXPENSES</b>			
	Cost of Materials Consumed	16	1,16,58,483	1,33,02,498
	Changes in Inventories of Work in Progress	17	(6,23,455)	2,00,246
	Employee Benefit Expenses	18	79,31,205	74,52,508
	Finance Costs	19	24,339	331
	Depreciation and Amortization Expenses	8	2,77,812	5,81,320
	Other Expenses	20	43,90,892	48,08,677
	<b>Total Expenses</b>		<u>2,36,59,276</u>	<u>2,63,45,580</u>
V	Profit before exceptional and extraordinary items and tax (III-IV)		16,095	16,08,903
VI	Exceptional & Extraordinary items		---	---
VII	<b>Profit before Tax (V-VI)</b>		<u>16,095</u>	<u>16,08,903</u>
VIII	Income Tax Expenses / (Savings)			
	Current Tax		3,930	3,30,784
	Deferred Tax		(1,062)	(69,103)
IX	<b>Profit for the Year (VII-VIII)</b>		<u>13,227</u>	<u>13,47,222</u>
X	Earnings per Equity Share of Rs. 100/- each Basic & Diluted (In Rupees)		0.55	55.70
	<b>Significant Account Policies</b>	21		
	<b>Notes on Financial Statements</b>	22		
	The notes form an integral part of these financial statements			

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

For and on behalf of the Board

K. SRINIVASAN  
Partner  
Membership No. 021510  
Rajapalayam.  
23<sup>rd</sup> June 2020

N.K. RAMASUWAMI RAJA  
CHAIRMAN & MANAGING DIRECTOR  
DIN : 00432698

P.J. RAMKUMAR RAJHA  
DIRECTOR  
DIN : 00487193

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**CASHFLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2020**

	(Amount in Rupees)
	2019-20
	2018-19
<b>A. Cash flow from Operating Activities</b>	
Net Profit before Tax and extraordinary items	16,095
Adjustments for :	
Depreciation	2,77,812
Interest Paid	24,339
Bad Debts Written Off	508
Interest Received	(6,51,063)
Profit on sale of assets	-
Operating Profit before W.C. Charges	(3,32,309)
Adjustments for :	
Trade Receivables	3,45,082
Loans and Advances	(7,39,374)
Inventories	(4,11,085)
Trade Payables	(3,25,217)
Other Current liabilities	(80,071)
Other Current Assets	(5,486)
Cash generated from Operations	(15,42,974)
Income tax paid	(5,06,840)
<b>Net Cash from Operating Activities</b>	<b>A (20,55,300)</b>
<b>B. Cash flow from Investing Activities :</b>	
Purchase of fixed assets	(7,299)
Sale of assets	-
Interest received	6,51,063
<b>Net Cash form / (used) in Investing Activities</b>	<b>B 6,43,764</b>
<b>C. Cash flow from Financing Activities :</b>	
Increase / (Decrease) in W.C. borrowings	-
Payment of Dividend and Tax thereon	(3,48,344)
Interest Paid	(24,339)
<b>Net Cash used in Financing Activities</b>	<b>C (3,72,683)</b>
<b>Net Increase / Decrease in Cash and Cash Equivalents</b>	<b>A + B + C (17,84,219)</b>
<b>Opp. balance of Cash and Cash Equivalents</b>	<b>D 1,23,24,932</b>
(Refer to Note No. 11)	
<b>Clg. balance of Cash and Cash Equivalents</b>	<b>E 1,05,40,713</b>
(Refer to Note No. 11)	
<b>Net Increase / Decrease in Cash and Cash Equivalents</b>	<b>E-D (17,84,219)</b>

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

For and on behalf of the Board

K. SRINIVASAN  
Partner  
Membership No. 021510  
Rajapalayam.  
23<sup>rd</sup> June 2020

N.K. RAMASUWAMI RAJA  
Chairman & Managing Director  
DIN : 00432698

P.J. RAMKUMAR RAJHA  
Director  
DIN : 00487193



**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Amount in Rupees)

**As at**  
**31.03.2020**

As at  
31.03.2019

**NOTE No. 1**

**SHARE CAPITAL**

Authorised	<b>25,00,000</b>	25,00,000
25,000 Equity Shares of Rs.100/each (PY 25,000 Equity Shares of Rs.100/-each)		
Issued, Subscribed and fully paid-up	<b>24,18,600</b>	24,18,600
24,186 Equity Shares of Rs.100/- each (PY 24,186 Equity Shares of Rs. 100/- each)		
Less: Calls in arrears due from persons Other than Directors (Time Barred)	<b>6,739</b>	6,739
	<b><u>24,11,861</u></b>	<u>24,11,861</u>

**b. Reconciliation of the number of shares outstanding**

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

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

Particulars	As at 31-03-2020		As at 31-03-2019	
	No.of Shares	% of holding	No.of Shares	% of holding
N.K. Ramasuwami Raja	<b>6860</b>	<b>28.37</b>	6860	28.37
N.R.K. Venkatesh Raja	<b>1477</b>	<b>6.11</b>	1477	6.11
N.R.K. Ramkumar Raja	<b>1352</b>	<b>5.59</b>	1352	5.59
N.R. Radha	<b>1469</b>	<b>6.07</b>	1469	6.07

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

<b>As at</b> <b>31.03.2020</b>	(Amount in Rupees) As at 31.03.2019
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**NOTE NO. 2**

**RESERVES AND SURPLUS**

**General Reserve**

Opening Balance	2,27,55,887		2,25,05,887		
Add : Transfer from Surplus Account	-		2,50,000		
	2,27,55,887		2,27,55,887		

Surplus in Statement of Profit and Loss.

Opening Balance	11,29,462		3,80,584		
Add : Profit for the year	13,227		13,47,222		
Add : Excess IT Provision	-		-		
Less : Appropriations					
Dividend	-		2,89,423		
Tax on Dividend	-		58,921		
Transfer to General Reserve	-		2,50,000		
	11,42,689		11,29,462		
	2,38,98,576		2,38,85,349		

**NOTE NO. 3**

**DEFERRED TAX LIABILITY**

Tax effect on difference between book depreciation and depreciation under the Income Tax Act, 1961		4,03,975		4,05,037	
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**NOTE NO. 4**

**LONG TERM PROVISION**

Provision for Employee Benefits		60,87,139		54,77,752	
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**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

	As at 31.03.2020	(Amount in Rupees) As at 31.03.2019
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**NOTE NO. 5**

**SHORT TERM BORROWING**

**Secured**

Working Capital Borrowing form Bank  
(Working Capital Borrowings from State  
Bank of India on Security of Stock in Trade)

-

-

**NOTE NO. 6**

**OTHER CURRENT LIABILITIES**

Current Maturities of Long Term Debt

-

-

Unclaimed Dividends

**3,37,158**

3,80,988

Other Payables

**13,01,464**

15,42,500

**16,38,622**

19,23,488

**NOTE NO. 7**

**SHORT TERM PROVISION**

Provision for Employee Benefits

-

-

Provision for Taxation

**3,34,714**

3,30,784

Proposed Dividend

-

2,89,423

(Rs./-per Share (PY: Rs.12/-per Share)

Provision for Tax on Proposed Dividend

-

58,921

**3,34,714**

6,79,128

**NOTE NO. 8**

FIXED ASSETS : 2019-20

(Amount in Rupees)

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

**FIXED ASSETS : 2018-19**

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	Cost as at 01.04.2018	Additions	With drawn	Cost as at 31.03.2019	Upto 31.03.2018	For the Year	With drawn	Up to 31.03.2019	As at 31.03.2019	As at 31.03.2018
Land	10,623	-	-	10,623	-	-	-	-	10,623	10,623
Buildings	54,47,595	-	-	54,47,595	30,51,924	1,53,541	-	32,05,465	22,42,130	23,95,671
Plant & Machinery	92,11,758	-	-	92,11,758	74,77,292	4,05,387	-	78,82,679	13,29,079	17,34,466
Electrical Machinery	6,71,208	-	-	6,71,208	5,60,368	7,728	-	5,68,096	1,03,112	1,10,840
Furniture & Office Equipments	2,15,151	-	-	2,15,151	2,03,089	1,517	-	2,04,606	10,545	12,062
Vehicles	19,96,746	-	-	19,96,746	18,37,193	13,147	-	18,50,340	1,46,406	1,59,553
Total	1,75,53,081	-	-	1,75,53,081	1,31,29,866	5,81,320	-	1,37,11,186	38,41,895	44,23,215

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

	As at 31.03.2020	(Amount in Rupees) As at 31.03.2019
<b>NOTE NO. 9</b>		
<b>INVENTORIES</b>		
Raw - Materials	77,04,189	80,27,028
Stores and Spares	5,13,698	4,03,229
Process Stock	6,63,131	39,676
	<u>88,81,018</u>	<u>84,69,933</u>
Refer to Item No. 4 of Note : 21 for Method of Valuation		
<b>NOTE NO. 10</b>		
<b>TRADE RECEIVABLES</b>		
<b>Unsecured, Considered Good or Outstanding</b>		
Trade Receivables more than Six months	24,58,757	28,14,312
Trade Receivables less than Six months	16,01,952	11,87,394
	<u>40,60,709</u>	<u>40,01,706</u>
<b>NOTE NO. 11</b>		
<b>CASH AND BANK BALANCE</b>		
Cash on Hand	35,819	38,719
Balance with bank		
In Current Account	5,67,735	34,19,261
In Deposit Account	96,00,000	85,00,000
In Unclaimed Dividend Warrant Account	3,37,158	3,80,982
	<u>1,05,40,712</u>	<u>1,23,38,962</u>
<b>NOTE NO. 12</b>		
<b>SHORT TERM LOANS AND ADVANCES</b>		
<b>Unsecured, Considered Good</b>		
Advance to Suppliers / Others	98,765	31,312
Advance Income Tax & TDS and Refund Due	8,76,605	3,69,155
	<u>9,75,370</u>	<u>4,00,467</u>
<b>NOTE NO. 13</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest Accrued deposit	2,89,899	2,72,889
Prepaid Expenses	1,03,212	54,757
Other Current Assets	63,72,000	57,46,638
	<u>67,65,111</u>	<u>60,74,284</u>

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

	As at 31.03.2020	(Amount in Rupees) As at 31.03.2019
<b>NOTE NO. 14</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>Sale of Products</b>		
Flush Door	1,76,49,163	2,21,26,136
Wood Fibre Panel Door	53,73,971	52,52,442
Block Board	-	-
	<u>2,30,23,134</u>	<u>2,73,78,578</u>
<b>NOTE NO. 15</b>		
<b>OTHER INCOME</b>		
Interest Received	6,51,063	5,65,243
Miscellaneous Income	1,174	10,662
	<u>6,52,237</u>	<u>5,75,905</u>
<b>NOTE NO. 16</b>		
<b>COST OF MATERIALS CONSUMED</b>		
Raw Materials consumed	1,10,70,211	1,27,34,130
Stores consumed	5,88,272	5,68,368
	<u>1,16,58,483</u>	<u>1,33,02,498</u>
<b>NOTE NO. 17</b>		
<b>CHANGES IN INVENTORIES OF WORK IN PROGRESS</b>		
<b>Opening Stock</b>	39,676	2,39,922
Work in Progress		
<b>Less : Closing Stock</b>	6,63,131	39,676
Work in Progress		
	<u>(6,23,455)</u>	<u>2,00,246</u>
<b>NOTE NO. 18</b>		
<b>EMPLOYEE BENEFITS</b>		
Salaries, Wages and Bonus	61,86,870	57,04,313
Contribution to Provident and Other Funds	16,53,015	16,66,392
Staff and Labour Welfare Expenses	91,320	81,803
	<u>79,31,205</u>	<u>74,52,508</u>

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

	As at 31.03.2020	(Amount in Rupees) As at 31.03.2019
<b>NOTE NO. 19</b>		
<b>FINANCE COST</b>		
Interest Expenses	24,339	331
<b>NOTE NO. 20</b>		
<b>OTHER EXPENSES</b>		
<b>MANUFACTURING EXPENSES</b>		
Power and Fuel	12,18,026	11,40,733
Repairs to buildings	2,07,192	1,55,465
Repairs to Plant and Machinery	3,29,269	2,42,365
Repairs - General	8,765	6,163
	<b>17,63,252</b>	15,44,726
<b>ESTABLISHMENT EXPENSES</b>		
Managing Director's Remuneration	7,20,000	7,20,000
Rates & Taxes	79,808	2,46,683
Postage and Telephone	1,30,956	1,34,301
Printing and Stationery	95,407	1,44,877
Travelling Expenses	1,26,771	1,28,644
Vehicle Maintenance	3,41,167	3,84,533
Insurance	54,757	55,579
Directors Sitting Fees	1,05,000	1,00,000
Rent	1,50,000	1,80,000
Audit Fees and Legal Expenses	1,46,331	1,07,886
Miscellaneous Expenses	65,438	1,86,493
Bad Debts Written Off	508	2,35,906
	<b>20,16,143</b>	26,24,902
<b>SELLING EXPENSES</b>		
Sales Commission	1,00,656	1,36,620
Sales Promotion Expenses	61,735	-
Other Selling Expenses	4,49,106	5,02,429
	<b>6,11,497</b>	6,39,049
<b>Total Other Expenses</b>	<b>43,90,892</b>	48,08,677

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

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**NOTE NO. 21**

**SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of preparation of financial statements:**

- (i) The financial statements have been prepared under the historical cost convention and in accordance with the generally accepted accounting principles in India and in compliance of the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (ii) Assets individually costing Rs. 5,000/- or less that were fully depreciated earlier in the year of purchase, are now depreciated based on the useful life considered by the Company for the respective category of assets.
- (iii) The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.
- (iv) The Company has considered its operating cycle as 12 months for the purpose of Current of Non – current classification of assets and liabilities.
- (v) The previous year figures are regrouped / restated wherever necessary.

**2. Use of Estimates:**

- (i) The preparation of financial statements in accordance with the generally accepted accounting principles requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates in the future periods.
- (ii) Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

**3. Tangible Fixed assets:**

- i. Tangible Fixed Assets are stated at cost of acquisition (net of CENVAT/VAT/GST wherever applicable) less accumulated depreciation / amortization and impairment losses if any, except freehold land which is carried at cost. The cost comprises 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. Subsequent expenditure to an item of fixed



**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

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asset is added to its book value only if it increases the future benefits from the asset beyond its previously assessed standard performance.

- ii. All other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to statement of profit and loss for the period during which such expenses are incurred.
- iii. Fixed assets are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. When gains or losses arise from disposal of fixed assets, the difference between the net disposal proceeds and the carrying amount of such assets, are recognised in the Statement of Profit and Loss.
- iv. Gains or losses arising from disposal of fixed assets are 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.
- v. Projects / tangible fixed assets, which are not yet ready for their intended use are carried at cost, including related expenses including attributable interest are recognised as "Capital Work –in-Progress".
- vi. Depreciation has been provided for Tangible assets on straight-line method at the rates specified as per Schedule II of the Companies Act 2013, prevailing at the time of acquisition of the asset.

**4. Inventories**

- i. Raw-materials, Components, Stores & Spares, Fuel, Packing materials etc., are valued at cost, computed on a moving weighted average basis including the cost incurred in bringing the inventories to their present location and condition after providing for obsolescence and other losses or net realisable value whichever is lower. However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost.
- ii. Process stock is valued at weighted average cost including the cost of conversion with systematic allocation of production and administration overheads or net realisable value whichever is lower. Finished goods are valued at cost or net realisable value whichever is lower. Cost includes cost of conversion and other costs incurred in bringing the inventory to their present location and condition.
- iii. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

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**5. Cash Flow Statement**

- i. Cash flows are presented using indirect method whereby Profit before extraordinary items and tax is adjusted for the effects of transaction of non-cash nature and any deferrals or accruals of past are future cash receipts or payments.
- ii. Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into cash.

**6. Revenue recognition**

- i. Revenue is recognised to the extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- ii. Revenue From Operations:

Sale of Products is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer. It excludes Excise duty, Education Cess, Secondary and Higher education cess, trade discounts, VAT / CST/ GST, rebates and returns.

**7. 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 employee's basic salary.
- iv. Actuarial gains and losses, if any, in respect of Defined Benefit plans are charged to Statement of Profit and Loss.

**Defined Benefit Plan- Gratuity**

The Company has its own approved Gratuity Fund. It is in the Form of lump sum payments to vested employees on resignation, retirement, death while in employment or on termination of employment of an amount equivalent to 15 Day's basic salary payable for each completed year of service. Vesting occurs upon completion of five years of continuous service. The Company makes

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

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annual contributions to funds 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 the projected unit credit method.

**8. 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. Such Provisions are not discounted to their present value except relating to retirement benefits. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.
- (ii) 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 its existence in the financial statements. Contingent Assets are neither recognised nor disclosed.

**9. Earnings per Share:**

Net profit after tax attributable to equity shareholders is divided by the weighted average number of equity shares including un-allotted bonus shares outstanding during the year.

**10. Income-tax**

The tax provision is considered as stipulated in Accounting Standard-22 (Accounting for Taxes on income), and includes current and Deferred Tax Liability. The Company recognises the deferred tax liability based on the accumulated timing difference using the current tax rate.

Deferred Tax is recognized on timing difference between taxable income and the accounting income that originates in one period and is capable of reversal in one or more subsequent periods. It is measured using the tax rates and the tax laws enacted or substantively enacted as the reporting date.

The deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there un-absorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. This is reviewed for reliability at each Balance Sheet date.

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Deferred tax relating to items directly recognized in reserves is also recognized in reserves and not in the Statement of Profit and Loss.

**11. Segment Reporting**

The Company has no separate reportable segments under Accounting Standard-17. (Segment Reporting)

**NOTE NO. 22**

**OTHER DISCLOSURES :**

1. The Income Tax Assessment have been completed upto the accounting year ended on 31.03.2019 i.e., Assessment Year 2019-20

2. Auditors' remuneration ( excluding Goods and Service Tax ):

	(Amount in Rupees)	
<u>Statutory Auditors</u>	<b>31-03-2020</b>	31-03-2019
a. As Auditors Fees	25,000	25,000
b. In Other Capacities		
For Tax Audit Fees	15,000	15,000
For GST Audit Fees	7,500	7,500
Expenses for Audit	3,000	3,000

3. There are no dues to micro and small enterprises as at 31-03-2019 (PY: NIL)  
This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

4. As per the Accounting Standard-15 (Revised 2005) " Employee Benefits" the disclosures of employee benefits as defined in the Accounting Standard are given below:

	(Amount in Rupees)	
<u>Defined Contribution Plan :</u>	<b>2019-2020</b>	2018-2019
Employer's Contribution to Provident	3,82,934	3,84,887

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
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**Details of the post retirement gratuity Plan (Funded) are as follows:**

	(Amount in Rupees)	
	<b>2019-20</b>	2018-19
<b>Changes in the present value of the Obligation (PVO)</b>		
Reconciliation of opening and closing balances:		
Present value of Obligation as at beginning of the period	<b>54,77,752</b>	49,02,130
Interest Cost	<b>3,97,272</b>	3,60,455
Current Service Cost	<b>2,11,404</b>	2,33,741
Past Service Cost- (non vested benefits)	-	-
Past Service Cost-(Vested benefits)	-	-
Benefits paid	<b>- 4,59,553</b>	- 4,53,927
Actuarial loss/ (gain) on obligation (balancing figure)	<b>4,60,264</b>	4,35,353
Present value of Obligation as at end of the period	<b>60,87,139</b>	54,77,752
<b>Changes in the fair value of plan assets</b>		
Reconciliation of opening and closing balances:		
Fair value of plan assets as at beginning of the period	<b>54,43,668</b>	48,25,392
Expected return on plan assets	<b>4,10,821</b>	3,70,968
Employer Contribution	<b>6,30,667</b>	6,95,614
Benefits paid	<b>- 4,59,553</b>	- 4,53,927
Actuarial gain/ (loss) on plan assets (balancing figure)	<b>6,060</b>	5,621
Fair value of plan assets as at end of the period	<b>60,31,664</b>	54,43,668
<b>Actual Return on plan assets:</b>		
Expected return on plan assets	<b>4,10,821</b>	3,70,968
Actuarial gain / (loss) on plan assets	<b>6,060</b>	5,621
Actual Return on plan assets	<b>4,16,882</b>	3,76,589
<b>Actuarial gain / (loss) recognized</b>		
Actuarial gain / (loss) for the period Obligation	<b>- 4,60,264</b>	- 4,35,353
Actuarial gain / (loss) for the period Plan Assets	<b>6,060</b>	5,621
Total (gain) / loss for the period	<b>4,54,204</b>	4,29,731
Actuarial (gain) / loss recognized in the period	<b>4,54,204</b>	4,29,731
Unrecognized actuarial (gain) / loss at the end of the year	-	-
<b>Amount recognized in the Balance Sheet and Related Analyses:</b>		
Present value of the Obligation	<b>60,87,139</b>	54,77,752
Fair value of Plan Asset	<b>60,31,664</b>	54,43,668
Difference	<b>55,475</b>	34,084
Unrecognized transitional liability	-	-
Unrecognized past service cost non vested benefits	-	-
Amount determined under Para 55 of AS15R	<b>55,475</b>	34,084
Net Liability Recognized in the balance sheet	<b>55,475</b>	34,084
Net Asset Recognized under Para 59 of AS15R	-	-

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

	(Amount in Rupees)	
	2019-20	2018-19
<b>Expenses recognized in the statement of Profit and Loss:</b>		
Current Service Cost	2,11,404	2,33,741
Interest Cost	3,97,272	3,60,455
Expected return on plan assets	- 4,10,821	- 3,70,968
Net Actuarial (gain) / loss recognized in the year	4,54,204	4,29,731
Transitional Liability recognized in the year	-	-
Past Service Cost- non- vested benefits	-	-
Past Service Cost- vested benefits	-	-
Expenses recognized in the statement of Profit and Loss	6,52,058	6,52,960
<b>Movements in the liability recognized in the Balance Sheet:</b>		
Opening net liability	34,084	76,738
Expenses as above	6,52,058	6,52,960
Contribution paid	- 6,30,667	- 6,95,614
Closing net liability	55,475	34,084
<b>Amount for the Current Period</b>		
Present value of Obligation	60,87,139	54,77,752
Plan Asset	60,31,664	54,43,668
Surplus (Deficit)	- 55,475	- 34,084
Experience adjustments on plan liabilities-(loss)/ gain	- 2,03,793	- 1,91,687
Experience adjustments on plan assets-(loss)/ gain	6,060	5,621
<b>Major categories of Plan Assets</b>		
<b>(As percentage of total plan assets)</b>		
Government of India Securities	-	-
State Government Securities	-	-
High Quality Corporate Bonds	-	-
Equity shares of listed Companies	-	-
Property	-	-
Special Deposit Scheme	-	-
Funds managed by Insurer	100%	100%
Others (to specific)	-	-
Total	100%	100%
<b>Enterprise's Best Estimate of Contribution during next year</b>	N.A	N.A
<b>Actuarial Assumptions:</b>		
Discount Rate	6.62%	7.57%
Salary escalation rate	5.00%	5.00%
<b>Attrition rate</b>		
Retirement Age Less Than 60 Years	1.00%	3.00%
Retirement Age More Than 60 Years	0.50%	0.50%
Expected rate of return on Plan Assets	7.44%	7.43%

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Amount in Rupees)

**5. Earning Per Share :**

	<b>2019-20</b>	2018-19
Net Profit after tax (A)	<b>13,227</b>	13,47,222
No. of Shares (B)	<b>24,186</b>	24,186
Basic & Diluted earning per share for		
Rs. 100/- each (A) / (B) (in Rs.)	<b>0.55</b>	55.70

**6. Related Party Transactions**

As per Accounting Standard – 18 (Related Party Disclosures) issued by the Institute of Chartered Accountants of India, the Company's related parties are given below:

Key Management Personnel & Relatives:

Shri. N.K. Ramasuwami Raja, Managing Director.

Smt. D. Swarnalukshme, Director, Daughter of Sri. N.K. Ramasuwami Raja

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

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. Sethurammammal Charities

Smt. Lingammal Ramaraju Sasthiraprathista Trust

P.A.C. Ramasamy Raja Education Charity Trust

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

Amount paid to Key Managerial Personnel:

(Amount in Rupees)

Name of the Related Party	Amount 2019-20	Amount 2018-19	Nature of Payment
Shri. N.K. Ramasuwami Raja	7,20,000	7,20,000	Managerial Remuneration
	20,000	20,000	Sitting Fees
Smt. D. Swarnalukshme	15,000	15,000	Sitting Fees
Shri. S.J. Srikanth	20,000	20,000	Sitting Fees
Smt. S. Praveena Sethulakshmi	1,50,000	1,80,000	Rent

**MADRAS CHIPBOARD LTD., RAJAPALAYAM**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**a. Goods Supplied / Service rendered :**

(Amount in Rs.)

Name of the Related Party	Value		Outstanding as on	
	2019-20	2018-19	31-03-2020	31-03-2019
M/s. Rajapalayam Textiles Ltd	-	5,705	-	-
M/s. Sudarsanam Fabrics	-	22,382	-	-
M/s. The Ramaraju Surgical Cotton Mills Ltd	-	8,153	-	-
M/s. Rajapalayam Mills Ltd	<b>10,963</b>	30,136	-	-
M/s. Ramco Institute of Technology	-	-	-	-
P.A.C.R. Sethuramammal Charities	-	-	-	-

**b. Value of Raw Materials, Stores & Spare parts consumed**

Particulars	2019-20		2018-19	
	Amount (Rs)	%	Amount (Rs)	%
i) Raw Materials				
Imported	0	0	0	0
Indigenous	<b>1,07,12,272</b>	<b>100</b>	1,27,34,130	100
ii) Stores and Components				
Imported	0	0	0	0
Indigenous	<b>5,76,922</b>	<b>100</b>	5,68,368	100

**7.** Previous figures have been regrouped wherever necessary and rounded off to the nearest rupee.

**SIGNATURE TO NOTE No. 1 to 22**

As per our report annexed

For M.S. JAGANNATHAN & N. KRISHNASWAMI

Chartered Accountants

Firm Registration No. 001208S

For and on behalf of the Board

K. SRINIVASAN

Partner

Membership No. 021510

Rajapalayam.

23<sup>rd</sup> June 2020

N.K. RAMASUWAMI RAJA  
 CHAIRMAN & MANAGING DIRECTOR  
 DIN : 00432698

P.J. RAMKUMAR RAJHA  
 DIRECTOR  
 DIN : 00487193



## PROXY FORM

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

### MADRAS CHIPBOARD LTD,

[CIN: U20293TN1961PLC004457]

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

Name of the member(s): .....

Registered address: .....

E-mail ID: .....

Folio No. / DP ID. Client ID: .....

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

Name : ..... Address : .....

E-mail ID : ..... Signature : ..... or failing him

Name : ..... Address : .....

E-mail ID : ..... Signature : ..... or failing him

Name : ..... Address : .....

E-mail ID : ..... Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 59<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday the 10th September, 2020, at 10.30 A.M. at Registered Office, Factory Premised, No.53, Annamaraja Nagar, Sankarankoil Road, Rajapalayam - 626 117, Tamil Nadu and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
	<b>Ordinary Business</b>
1	Adoption of Financial Statements for the year ended 31st March 2020
2	Appointment of Shri. P.J. RAMKUMAR RAJA, who retires by rotation and is eligible for re-appointment.
3	Appointment of Shri. S.J. SRIKANTH, who retires by rotation and is eligible for re-appointment
4	Appointment of Shri. A.R.S. CHAITHANYA as a Director

Signed this ..... day of ..... 2020

Signature of Shareholders .....

Signature of Proxy Holder(s) .....

Affix Rs.1  
Revenue  
Stamp

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