

MIL
MIL INDUSTRIES LIMITED

25A, SIDCO INDUSTRIAL ESTATE, AMBATTUR, CHENNAI - 600 098. INDIA.



Reg.No. 44 100 094200
Reg.No. 44 100 094200/01

PHONE : 0091 - 44 - 2625 8382 FAX : 0091 - 44 - 2625 7583 Website : www.milindus.com
E-MAIL : mil@milindustries.com, CIN : L25199TN1966PLC005397, GST No: 33AAACM4380Q1Z5

21.09.2019

The Listing Department
Metropolitan Stock Exchange of India Limited
Vibgyor Towers, 4th Floor
Plot No. C 62, G- Block,
Opp. Trident Hotel,
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 098

(Symbol - MILIND, Series-BE)

Dear Sir/Madam,

Sub: Copy of Annual Report 2018-19

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith copy of Annual Report of 53rd Annual General Meeting to be held on Thursday, 16th September 2019 at 4.30 p.m. at the registered office of the company at SIDCO Industrial Estate, Ambattur, Chennai - 600098.

This is for your information and records.

Thanking you,

Yours faithfully,
For MIL INDUSTRIES LIMITED

RAJIV SREEDHAR
MANAGING DIRECTOR

Encl: as above.

MIL INDUSTRIES LIMITED

MIL

FIFTY THIRD ANNUAL REPORT 2018-19

MIL INDUSTRIES LIMITED

CHAIRPERSON	SAROJA RAMAN
MANAGING DIRECTOR	RAJIV SREEDHAR
DIRECTORS	S.S.R. RAJKUMAR NOMAN H. MILLWALA Dr. T. VENKATESAN
COMPANY SECRETARY	V.P.K. MANI
CHIEF FINANCIAL OFFICER	N. GURUSWAMY
BANKERS	UCO Bank, International Banking Branch Chennai- 600 001
AUDIT COMMITTEE	S.S.R. RAJKUMAR, <i>Chairman</i> NOMAN H. MILLWALA, <i>Member</i> Dr. T. VENKATESAN, <i>Member</i>
NOMINATION AND REMUNERATION COMMITTEE	S.S.R. RAJKUMAR, <i>Chairman</i> NOMAN H. MILLWALA, <i>Member</i> Dr. T. VENKATESAN, <i>Member</i>
STATUTORY AUDITORS	S.N.S. Associates, Chartered Accountants, Chennai
INTERNAL AUDITORS	Suri & Co., Chartered Accountants, Chennai
SECRETARIAL AUDITOR	A.K.Jain & Associates, Company Secretaries, Chennai
REGISTRAR AND SHARE TRANSFER AGENT	Integrated Registry Management Services Pvt Limited 'Kences Towers', II Floor, 1 Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017
REGISTERED & HEAD OFFICE	Plot No. 25A, SIDCO Industrial Estate, Ambattur, Chennai - 600 098.
FACTORIES	Unit-I Plot No. 25A, SIDCO Industrial Estate, Ambattur Chennai - 600 098. Unit-II Plot No. F- 65, SIPCOT Industrial Complex Gummidipoondi - 601 201, Tamil Nadu.

MIL INDUSTRIES LIMITED

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the fifty third annual general meeting of MIL Industries Limited will be held at the Registered office of the company at 25-A, SIDCO Industrial Estate, Ambattur, Chennai – 600 098 on Monday, the 16th September, 2019 at 4.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statement of the Company for the year ended 31st March 2019 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Saroja Raman, (DIN 00481687) who is liable to retire by rotation under Article 107 of the Company's Articles of Association and who is eligible for reappointment.

By Order of the Board

Place : Chennai
Date : 18th July 2019

V.P.K. MANI
Company Secretary

NOTES:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting.**

The proxy form, to be valid and effective, should be lodged at the registered office of the Company, duly completed and signed, not less than forty-eight hours before the commencement of the AGM. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carry voting rights. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Pursuant to the provisions of Section 91 of the Companies Act, 2013 the Register of Members and Share Transfer Books of the Company will remain closed from Tuesday 9th September 2019 to 16th September, 2019 both days inclusive.
3. Members / Proxies should bring the duly filled Attendance Slip at the Annual General Meeting (AGM). Corporate Members shall send duly certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf.
4. Members who have not registered their e-mail address so far are requested to register their e-mail address, by sending an email to milshare@milindustries.com stating their name and folio no. where shares are held in physical form and DP Id & Client Id where shares are held in dematerialized form.
5. The Annual Report for the year 2018-19 of the Company circulated to the members of the Company will be made available on the Company's website at www.milindustries.com and also on the website of the stock exchange at www.msei.com

Voting through electronic means

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the (AGM) by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL). The facility for voting through ballot/ polling will also be made available at the

venue of the AGM. Members who have voted electronically through remote e-voting may attend the AGM but shall not be allowed to vote at the AGM.

Procedure / Instructions for e-voting are as under:

The instructions for shareholders voting electronically are as under:

- (i) The remote e-voting period begins on Friday, 13th September, 2019 (9:00 a.m. IST) and ends on Saturday, 15th September, 2019 (5:00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, September 9th, 2019 may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.

The details of the process and manner for remote e-Voting are explained herein below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

1. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
2. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
3. Your User ID details are given below:
Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical
 - a) For Members who hold shares in demat account with NSDL.
 - b) For Members who hold shares in demat account with CDSL.
 - c) For Members holding shares in Physical Form.

Your User ID is:

- a) 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
 - b) 16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
 - c) EVEN Number followed by Folio Number registered with the company. For example, if folio number is 001*** and EVEN is 108337 then user ID is 108337001***
- 5) Your password details are given below:
- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?

If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox.

Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open. Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to mil@milindustries.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
 3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or contact Ms. Pallavi Mhatre, Assistant Manager, National Securities Depository Ltd., Trade World, ‘A’ Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, at the designated email address: pallavid@nsdl.co.in/ evoting@nsdl.co.in or at telephone no. +91 22 2499 4545 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the email address: milshares@milindustries.com or contact at telephone no. 044 -2625 8382.
- III. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 9th, 2019.
- IV. Any person, who acquires shares of the Company and become a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 9th, 2019, may obtain the User ID and password by sending a request at evoting@nsdl.co.in
- However, if you are already registered with NSDL for remote e-voting then you can use your existing User ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990
- V. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- VI. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- VII. Pankaj Mehta, (M.No.A29407, C.P.10598), Partner, M/s. A.K. Jain & Associates., Company Secretaries, (Address: No. 2, Raja Annamalai Road, First Floor, Purasawalkam, Chennai - 600 084.) has been appointed for as the Scrutinizer inter alia for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- VIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XI. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or to a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- X. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.milindus.com and on the website of NSDL immediately after the declaration of results by the Chairman or a person authorized by him in writing.

The results shall also be immediately forwarded to the Metropolitan Stock Exchange of India Ltd., Mumbai.

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DIRECTORS' REPORT

TO THE MEMBERS,

The Directors have pleasure in presenting their Fifty Third Annual Report together with the Audited Financial Statement for the year ended 31st March, 2019.

FINANCIAL RESULTS

(Rs. in lakhs)

Particulars	For the year ended 2019	For the year ended 2018
Profit Before Finance cost, Depreciation and Tax	809.92	382.87
Less: i) Finance cost	34.59	42.17
ii) Depreciation	81.39	88.34
iii) Provision for Taxation - Current Tax	214.77	80.28
- Deferred Tax	15.95	2.39
Profit after Tax	463.22	169.69

With a view to consolidate resources, the Directors have decided not to declare a dividend for the year but to carry forward the entire surplus to the Balance Sheet.

OPERATIONS

There has been an increase in the turnover of the Rubber Products Division from Rs. 1631.38 lakhs in the previous year to Rs. 2758.84 Lakhs in the current year.

There has been a slight decrease in the turnover of PTFE Division from Rs. 1361.76 lakhs in the previous year to Rs. 1353.61 lakhs in the current year.

The company's export earnings have increased from Rs. 509.93 lakhs in the previous year to Rs. 1363.40 lakhs in the current year.

Outlook for the current year appears to be good. Internally the company is constantly reviewing ways and means to reduce costs.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of Annual Return as on the financial year ended on 31st March 2019 in Form MGT-9 is attached as annexure- I.

DIRECTORS RESPONSIBILITY STATEMENT

In pursuance of Section 134(5) of the Companies Act 2013, the Directors hereby confirm that:

- i) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.

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- ii) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2018-2019 and of the profit of the company for that period.
- iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act and there are adequate systems and controls for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) The Directors had prepared the annual accounts on a going concern basis.
- v) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- vi) The Directors had laid down internal financial controls to be followed by the company and that such financial controls are adequate and were operating effectively.

FIXED DEPOSITS

The Company has not accepted any deposits from public during the year and Fixed Deposits outstanding with the Company at the end of the financial year stood at Rs. NIL. There are no unclaimed deposits as on 31.03.2019.

SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES

The Company does not have any subsidiaries or joint ventures or Associates as on March 31, 2019. Hence, the statement containing the salient feature of the financial statement of associate companies in Form AOC-1 is not applicable to the Company.

Further, none of the companies have ceased to be a subsidiary, joint venture or associate company during FY2019.

SHARE CAPITAL

The paid-up Equity Share Capital of the Company was Rs. 315 lakhs as on March 31, 2019. During the year under review, the company has not issued any shares or any convertible instruments and there is no outstanding instrument pending conversion as on March 31, 2019.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the Articles of Association of the Company and the provisions of the Companies Act, 2013, Mrs. Saroja Raman, Director of the Company, is liable to retire by rotation at the ensuing AGM and is eligible for re-appointment.

All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of section 164 of the Companies Act, 2013.

MANAGERIAL REMUNERATION DETAILS UNDER SECTION 197

Details of managerial remuneration as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given as annexure- II to this report.

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MEETING OF THE BOARD

The meetings of the Board of Directors are generally held at the Registered Office of the company except when the board thinks fit to conduct the meeting in any other place. Meetings are generally scheduled well in advance. The board meets at least once a quarter to review the quarterly performance and the financial results of the Company.

The members of the board have access to all information of the Company and are free to recommend inclusion of any matter in the agenda for discussion.

During the financial year Board met 6 times. The meetings were held on 11th May 2018, 26th July 2018, 24th September, 2018, 9th November 2018, 17th December, 2018 and 7th February, 2019.

The attendance particulars of the Board meetings during the financial year and the last AGM are given below:

Sl. No.	Name of Director	DIN No.	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM
1	Mr. Rajiv Sreedhar	00181532	Non-Independent Managing Director	6	Yes
2	Mr. S.S.R. Rajkumar	00317801	Independent Non-Executive Director	6	Yes
3	Mr. Noman H. Millwala	00471544	Independent Non-Executive Director	6	Yes
4	Mrs. Saroja Raman	00481687	Non-Independent Non-Executive Director	5	No
5	Dr. T. Venkatesan	01793232	Independent Non-Executive Director	6	Yes

AUDITORS

At the 51st Annual General Meeting of the company, held on 25th September, 2017, the members had appointed, in terms of Section 139(2) of the Companies Act 2013, M/s. S.N.S. Associates, Chartered Accountants as Statutory Auditors of the Company in place of M/s. Suri & Co. for a term of five years beginning from the conclusion of the 51st AGM till the conclusion of the 56th AGM.

COST AUDIT

The provisions of Section 148(1) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 in respect of Cost Audit is not applicable to the Company.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Though the nature of Company's operation does not involve substantial energy consumption, various steps have been taken to conserve energy. These efforts have enabled to substantially bring down the Maximum Demand at the Ambattur Factory from 425 KVA to 375 KVA.

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Technology absorption:

Research & Development activities of the Company are directed towards (a) upgradation of existing formulations of rubber compound to improve their chemical and abrasive resistance (b) to develop new compounds for application in hitherto unproven areas (c) to improve the quality of the application standards and (d) to reduce costs.

Benefits derived as a result of the above R & D efforts are improvement in quality to make the Company's products comparable to that of international standards and to achieve import substitution. R & D work on the above areas will continue to be pursued.

Continuous efforts are being made to absorb, adopt and innovate technologies obtained from indigenous and foreign sources and such efforts help to increase productivity and in import substitution of raw materials and finished products.

Expenditure incurred during the financial year for R & D work was Rs. 12,22,979/-.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign exchange earnings and outgo:

The Company continues to explore new export markets for its products and services.

	<u>Rs. In Lakhs</u>
Foreign Exchange used	381.91
Foreign Exchange earned	1,363.40

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS COVERED UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not given any Loan or guarantee or provided any security or made any investments during the year.

BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

AUDIT COMMITTEE

Audit Committee is constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and comprises of Mr. S.S.R. Rajkumar Chairman, Mr. Rajiv Sreedhar, Mr. Noman H. Millwala and Dr. T. Venkatesan.

During the year under the report, the Audit Committee meeting was held on 11th May 2018, 26th July 2018, 9th November 2018, 17th December, 2018 and 7th February, 2019.

NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration committee is constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and comprises of Mr. S.S.R. Rajkumar, Chairman, Mr Noman H. Milwala and Dr. T. Venkatesan.

During the year under the report, Nomination and Remuneration Committee meeting was held on 11th May 2018, and 26th July 2018.

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CSR COMMITTEE

The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility (CSR) are not applicable to the Company.

STAKEHOLDERS RELATIONSHIP COMMITTEE

-Not Applicable-

RISK MANAGEMENT

The Company has a comprehensive policy frame work for identification, measurement and management of all material risks including but not limited to market, raw materials and other inputs, credit and liquidity. The Company continues to carry adequate Insurance for all assets against foreseeable perils.

LISTING OF EQUITY SHARES AND COMPLIANCE

Our Company's equity shares are listed with the Metropolitan Stock Exchange of India Limited, Mumbai (MSEI) with effect from February, 6th 2018.

The details of the securities listed are as follows:-

Symbol	MILIND
Security Name	MIL Industries Limited
ISIN code	INE651L01019
Market lot	1
Series	BE

The Company has complied with the mandatory requirements as stipulated under Regulation 34(3) and 53 of SEBI (LODR) Regulations, 2015. The Company has submitted the quarterly compliance status report to the stock exchanges within the prescribed time limit.

SECRETARIAL AUDIT

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. A.K. Jain & Associates, a firm of Company Secretaries in practice has been appointed to undertake Secretarial Audit of the company. The Report of the Secretarial Audit is attached as annexure- III to this report.

AUDITORS REPORT

There are no qualifications, reservations or adverse remarks mentioned in the Auditors Report.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013

During the year, the Company has not received any complaint under Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were no orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS

The paid up capital of the Company as on March 31, 2019 being less than Rs.10 crores and Net Worth not exceeding Rs.25 crores, the Company is exempted from the provisions of Corporate Governance.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In accordance with the SEBI (LODR) Regulations, 2015, the Management Discussion and Analysis Report is as follows.

(a) Industry structure and developments

The Company's products such as rubber lined steel items, rubber sheets, rubber products, PTFE lined pipes and fittings, PTFE hoses and other PTFE products are supplied to core sector industries like fertilizer, metallurgical, caustic soda and therefore our growth depends on the growth of such consuming industries.

Sales growth of the company during the year under review was around 37.40 % over the previous year. The company is concentrating on value added products and export markets to increase the sales volume and bottom line.

(b) Opportunities and Threats.

There are only limited no. of corporate players in the rubber lining and rubber products in which the company mainly operates. However, there is a huge threat from the unorganized players in the rubber lining and rubber products segment.

Though the domestic market for the company's products are limited, export market are growing significantly and the company expects growth in the export market to continue further.

(c) Segment-wise or product-wise performance.

The company mainly operates in two major segments. viz., rubber lining of equipment and rubber products and PTFE Lining of pipes & fittings and PTFE Products.

Rubber Product division witnessed an increase in the turnover from Rs. 1631.38 Lakhs to 2758.84 Lakhs. The PTFE division has recorded a slight decrease from 1361.76 Lakhs to 1353.61 Lakhs.

(d) Outlook

The Company is continuing the business with its existing customer base. The Company is focusing on export market and developed new foreign customers. The outlook for the company's products in the export market is good in the near future.

(e) Risks and concerns.

The company has adopted comprehensive policy framework for identification, measurement and management of all risk related to market, raw materials and other inputs including the cost of raw materials and selling price of the products.

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However, the demand in domestic and global markets for the company's products are coupled with volatility in raw material prices and the price competition from the unorganized players are the major concerns for the company.

(f) Internal control systems and their adequacy.

The Company has internal control systems commensurate with the size and nature of its business and has appointed a firm of Chartered Accountants as the Internal Auditors. The Internal Audit coverage is adequate to ensure that the assets of the company are safeguarded and protected and there is regular review by Management on policies, internal controls & procedures and also on internal audit reports.

(g) Discussion on financial performance with respect to operational performance.

The revenue from the operations of the company for the financial year 2018-19 has increased by 37.40% over the previous year. However, the profit before tax has decreased compared to the previous year. Therefore, the profit before tax has considerably increased compared to the previous year.

(h) Material developments in Human Resources / Industrial Relations front, including number of people employed.

The Company regularly deposes employees to seminars and various programmes to help them to enrich their professional skills and knowledge. The company has formulated incentive schemes to employees to increase the productivity and performance.

The company maintains cordial relationship with workers and employees at all levels.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation for the continued support extended by the employees at all levels, the Company's bankers, customers and suppliers at all times.

Place : Chennai
Date : 18th July, 2019

By Order of the Board
SAROJA RAMAN
Chairperson

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Annexure - I to Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31/03/2019

[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:

1)	CIN:	L25199TN1966PLC005397
2)	Registration Date	11-02-1966
3)	Name of the Company	MIL INDUSTRIES LIMITED
4)	Category/Sub-category of the Company	Public Limited Company / Limited by shares
5)	Address of the Registered Office & Contact Address	25A, SIDCO Industrial Estate, Ambattur Chennai – 600 098 Phone: 044-26258382 Fax: 044-26257583 Email: mil@milindustries.com Website: www.milindus.com
6)	Whether listed	Yes
7)	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Integrated Registry Management Services Pvt Limited 'Kences Towers', II Floor, 1 Ramakrishna Street, North Usman Road, T. Nagar, Chennai – 600 017 Phone: 044-28140801-803 Fax: 044-28142479 Email: corpserv@integratedindia.in

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)

S. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Manufacture of Rubber Lining Products, Trading of Rubber lining materials and Rubber linings	22191	67
2	Manufacture of PTFE Lined Pipes and Fittings and PTFE Products	22209	33

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	Holding/ Subsidiary & Associate	% shares held	Under Section
					NIL

MIL INDUSTRIES LIMITED

IV. SHARE HOLDING PATTERN (EQUITY)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	785060	-	785060	24.92	785060	-	785060	24.92	0.00
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1195000	-	1195000	37.94	1202000	-	1202000	38.16	0.22
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Subtotal (A) (1)	1980060	-	1980060	62.86	1987060	-	1987060	63.08	0.22
(2) Foreign									
a) NRI – Individuals	-	-	-	-	-	-	-	-	-
b) other-individuals	-	-	-	-	-	-	-	-	-
c) Bodies corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Subtotal (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	1980060	-	1980060	62.86	1987060	-	1987060	63.08	0.22
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Cos.	43750	-	43750	1.39	43750	-	43750	1.39	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	43750	-	43750	1.39	43750	-	43750	1.39	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	11900	298000	309900	9.85	11900	298000	309900	9.85	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	110040	254555	364595	11.57	133690	220555	354245	11.24	(0.33)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	291695	-	291695	9.26	301445	-	301445	9.57	(0.31)
c) Others									
i) NRIs	-	125000	125000	3.97	600	118000	118600	3.76	(0.21)
ii) NBFCs Registered with SEBI	35000	-	35000	1.11	35000	-	35000	1.11	-
Sub-total (B)(2):-	448635	677555	1126190	35.75	482635	677555	1126190	35.53	(0.22)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	492385	677555	1169940	37.14	526385	636555	1162940	36.92	(0.22)
C. Shares held by Custodian for GDRs & ADRs									
(1) Promoter Group	-	-	-	-	-	-	-	-	-
(2) Public	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2472445	677555	3150000	100.00	2513445	636555	315000	100.00	0.00

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B) Shareholding of Promoter

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding 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	
1	Chemical Consultants And Engineers Private Limited	130000	4.13	-	130000	4.13	-	-
2	Krebs Engineering Private Limited	955000	30.32	-	962000	30.54	-	0.22
3	Milgerlan Engineering And Construction Private Limited	110000	3.49	-	110000	3.49	-	-
4	Indrani Sivaraja Iyer	10800	0.34	-	10800	0.34	-	-
5	Ramesh Raman	99295	3.15	-	99295	3.15	-	-
6	Sangameswaran. D	10000	0.32	-	10000	0.32	-	-
7	Rajiv Sreedhar	4650	0.15	-	4650	0.15	-	-
8	Radha Ramakrishnan	21050	0.67	-	21050	0.67	-	-
9	Ramila Sreedhar	135095	4.29	-	135095	4.29	-	-
10	Raghu Raman	112675	3.58	-	112675	3.58	-	-
11	Saroja Raman	315295	10.01	-	315295	10.01	-	-
12	C Venkatesan	5450	0.17	-	5450	0.17	-	-
13	Vimala Venkatesan	400	0.01	-	400	0.01	-	-
14	Rashmi Raman	27050	0.86	-	27050	0.86	-	-
15	Malathi Raman	43300	1.37	-	43300	1.37	-	-

C) Change in Promoters' Shareholding:

Sl. No.	Particulars	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
1	Promoters' Shareholding	1980060	62.86	*1987060	63.08

* Acquired 7000 shares (0.22%) by the Promoter during the financial year 2018-19.

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D) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Particulars	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
1	Mr. Mahendra Giridharilal	190085	6.03	190085	6.03
2	M/s. Tamilnadu Industrial Investment Corp Ltd.	168000	5.33	168000	5.33
3	Mr. Pishu W. Uttamchandani	50000	1.59	50000	1.59
4	M/s. 21st Century Management Services	50000	1.59	50000	1.59
5	M/s. Sterling Holiday Financial Services Ltd.	49000	1.56	49000	1.56
6	M/s. United India Insurance Co. Ltd.	43750	1.39	43750	1.39
7	M/s. ICICI Securities Primary Services Ltd.	35000	1.11	35000	1.11
8	M/s. Agrasen Finance P Ltd.	31000	0.98	31000	0.98
9	Mr. M.A.A. Annamalai	25000	0.79	25000	0.79
10	Mrs. R. Gomathy	22210	0.71	22210	0.71

E) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	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
1.	Mr. Rajiv Sreedhar	4650	0.15	4650	0.15
2.	Mrs. Saroja Raman	3115295	10.01	3115295	10.01
3.	Mr. S.S.R. Rajkumar	20800	0.66	20800	0.66
4.	Mr. Noman H. Millwala	3750	0.12	3750	0.12
5.	Dr. T. Venkatesan	500	0.02	500	0.02
6.	Mr. V.P.K. Mani	50	0.002	50	0.002
7.	Mr. N. Guruswamy	175	0.006	175	0.006

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V. INDEBTEDNESS

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	12416162	-	-	12416162
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	11637675	-	-	11637675
Total (i+ii+iii)	24053837	-	-	24053837
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	24053837	-	-	24053837
Net Change	(24053837)	-	-	(24053837)
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Mr. Rajiv Sreedhar, Managing Director	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,82,810	60,82,810
	(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 (A)	60,82,810	60,82,810
	Ceiling as per the Act	84,00,000	*84,00,000

* Where in any financial year during the tenure of a managerial person, a company's profits are inadequate, it may, without Central Government approval, pay remuneration to the managerial person not exceeding, the limit as per SCHEDULE V of the Companies Act, 2013.

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B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. S.S.R Rajkumar	Mr. Noman H. Millwala	Dr. T. Venkatesan	Mrs. Saroja Raman	
1	Independent Directors					
	Fee for attending board committee meetings	65000	65000	65000	-	195000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	65000	65000	65000	-	195000
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	25000	25000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)				25000	25000
	Total (B)=(1+2)	65000	65000	65000	25000	220000
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act					-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Mr. V.P.K. Mani, CS	Mr. N. Guruswamy, CFO	Total
	Gross salary				
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	600000	1200000	1800000
	(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	-	600000	1200000	1800000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NONE

ANNEXURE II TO BOARD'S REPORT

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

The details of remuneration of each Director and KMP during the Financial Year 2018-19, the percentage increase in remuneration of each Director and KMP, and ratio of the remuneration of each Director to the median remuneration of the employees for the Financial Year 2018-19 are as follows:

Name of the Director / KMP (M/s.)	Designation	Ratio to the Median Remuneration	% increase in remuneration
Rajiv Sreedhar	MD	13.75	(8.44)
Saroja Raman	NENID	0.06	(16.67)
SSR. Rajkumar	NEID	0.15	117
Noman H. Millwala	NEID	0.15	117
Dr. T. Venkatesan	NEID	0.15	117
V.P.K. Mani	CS	1.35	33.33
N. Guruswamy	CFO	2.71	8.11

- i. The median remuneration of employees of the Company for the Financial Year was Rs.4,42,200.
- iii. There was an increase of 11.33 % in the median remuneration of employees in the Financial Year.
- iv. There were 73 permanent employees on the rolls of the Company as on 31st March, 2019.
- v. Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2018-19 was 3.71% whereas the managerial remuneration decreased by 4 % (from Rs. 82,03,907 in 2017-18 to Rs. 78,82,810 in 2018-19).
- vi. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for directors, Key Managerial Personnel and other Employees.

STATEMENT OF PARTICULARS OF EMPLOYEES:

During the Financial Year, no employee received remuneration in excess of the limits prescribed under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Annexure III

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2019

[Pursuant to section 204(1) of the Companies Act, 2013, and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

M/s. MIL INDUSTRIES LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. MIL INDUSTRIES LIMITED (CIN: L25199TN1966PLC005397)** (Hereinafter called as “**the Company**”). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018, complied with the statutory provisions and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable to the Company during the Audit period).
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable to the Company during the Audit period). (Not Applicable to the Company during the Audit period).
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit period).**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit period).**
- (h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit period).**

We further report that with respect to the other laws specifically applicable to the Company are furnished below:

1. Factories Act, 1948;
2. Shop and Establishment Act, 1947;
3. Acts relating to Prevention and Control of Pollution.

We further report that the applicable financial laws such as the Direct and Indirect Tax Laws, have not been reviewed under our audit as the same falls under the review of statutory audit by other designated professionals.

We have also examined the applicable clauses of the following:

- (i) Listing Agreement entered into by the Company with Metropolitan Stock Exchange of India Ltd.
- (ii) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations and Guidelines mentioned above except for the following:

1. *The composition of the Audit Committee did not comply with the requirements as mentioned u/s 177 of the Companies Act, 2013*

We further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act

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- b) Adequate notice is given to all Directors to schedule the Board Meetings, Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting and other business which are not included in the Agenda are considered vide supplementary agenda subject to consent of the Board of Directors.
- c) All the decisions at Board meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that based on the written representations received from the officials /executives of the Company, we state that there are adequate systems and processes commensurate with the size and operations of the company to monitor and ensure compliance of such applicable laws, rules, regulations and guidelines.

For A.K JAIN & ASSOCIATES
Company Secretaries

PANKAJ MEHTA
Partner
M.NO. A29407
C. P. No. 10598

Place : Chennai
Date : 18.07.2019

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, Rajiv Sreedhar, Managing Director and N. Guruswamy, Chief Financial Officer of MIL Industries Limited, to the best of our knowledge and belief, certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year under review and certify that:
 - i. these statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading.
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness and disclosed to the auditors and audit committee, the deficiencies in the design and operation of such internal controls and the steps taken to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit committee that
 - i. there are no significant changes in internal control over financial reporting during the year.
 - ii. there are no significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements.
 - iii. there are no frauds of which we are aware, that involves management or other employees who have a significant role in the company's internal control system.

RAJIV SREEDHAR
Managing Director

N. GURUSWAMY
Chief Financial Officer

Place : Chennai
Date : 18-07-2019

Independent Auditors' Report

To the Members of MIL Industries Limited

Report on the standalone Financial Statements

Opinion

We have audited the standalone financial statements of **MIL Industries Limited** ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31st March, 2019, and its profit, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of Financial Statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Response to Key Audit Matters and Conclusion
As at 31 st March 2019, the Company carries Cash and Cash Equivalents to the extent of Rs.13,34,15,305/- representing 34.63% of the total assets which has been considered as a Key Audit Matter	<ul style="list-style-type: none">• We have verified and tested the design and operating effectiveness of the controls with respect to maintenance of cash balances and the transactions with these banks, like the manner of operation of the bank accounts, etc.• The cash balance has been physically verified at the end of the year.• The Bank Reconciliation statements have been verified as at the end of the year.• IN respect of Deposits, the original deposits, wherever held by the Company have been verified and those deposited as margin or security have been verified with respect to the relevant documents.• The original confirmation of balances for the outstanding balances with the banks as at the year end have been verified.

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Key Audit Matters	Response to Key Audit Matters and Conclusion
<p>As at 31st March 2019, the Company carried Inventories to the extent of Rs.8,15,69,657/- which having regard to the value has been considered as a Key Audit Matter</p>	<ul style="list-style-type: none"> • We have verified and tested the design and the operating effectiveness of the controls with respect to the maintenance of inventories, like the issue of materials, determination of the quantum of stocks at the end of the year. • We have verified and tested the preparation of the cost sheet for the valuation of inventories of finished goods and work in progress and the determination of the value of stores and spares. • We have also tested the judgment and procedure adopted by the Company for the determination of the realisable value of the inventories. • Based on the above procedures, the determination of the value of inventories by the Management at the end of the year is considered reasonable.
<p>As at 31st March 2019, the Company had Trade Receivables of Rs.8,98,58,478/- which having regard to the value has been considered as a Key Audit Matter</p>	<ul style="list-style-type: none"> • We have verified and tested the design and operating effectiveness of the control with regard to sale of goods and revenue recognition. • The outstanding in the accounts of the parties have been validated with reference to the invoices raised and the correspondence between the Company and the parties. • We have also tested the judgment made by the management relating to credit risk and the impairment assessment. • Based on the above procedures, the estimate of credit risk and impairment assessment made by the Management is reasonable.

Responsibilities of the Management and Those Charged with Governance for Standalone 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 of these standalone 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. 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 statement 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, 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.

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

Auditor's Responsibilities for the Audit of the Standalone 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 Standalone financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain and audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and 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 that 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 Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 purpose 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d. In our opinion, the aforesaid (Standalone) 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 written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019 from being appointed as a Director in terms of Section 164 (2) of the Act.
 1. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”.
 2. 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:
 - a. There are no pending litigations.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.N.S ASSOCIATES
Chartered Accountants
Firm Reg No. 006297S

S. NAGARAJAN
Partner
Membership No. 020899

Chennai
Dated : 30.05.2019

Annexure A to the Independent Auditors' Report

To the Members of MIL Industries Limited

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Fixed Assets have been physically verified by the Management during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of the verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties are held in the name of the Company.
- ii) The Management has conducted physical verification of inventories at reasonable intervals and no material discrepancies were noticed on such verification.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv) 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 Companies Act, 2013, with respect to loans availed by it.
- v) The Company has not accepted deposits from the public.
- vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013, for any of the activities of the Company.
- vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employees state insurance, excise, income tax, sales tax, value added tax, duty of customs, service tax, cess and other statutory dues have been regularly deposited during the year by the Company with appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, value added tax, duty of customs, excise, service tax, cess and other statutory dues which were in arrears as on 31st March 2019 for a period of more than six months from the date they became payable.
- (b) There are no dues of income tax, sales tax, value added tax, duty of customs, excise, service tax, cess or other statutory dues that have not been deposited on account of any dispute.
- viii) The Company has not defaulted in the repayment of dues to banks, financial institutions or debenture holders.
- ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). As per the records of the Company, the term loans availed during the year were applied for the purposes for which those are raised.
- x) As per the records of the Company and according to the information and explanations given to us, no frauds by the Company or on the company by its officers or employees have been noticed or reported during the year.
- xi) According to the information and explanations given to us, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

MIL INDUSTRIES LIMITED

- xii) The Company is not a nidhi company.
- xiii) In our opinion, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable Accounting Standard.
- xiv) According to the records of the Company, the Company has not made any preferential allotment or private placement of its shares or fully or partly convertible debentures during the year under review.
- xv) Based on the audit procedures performed and the information and explanations given to us, the Company has not entered into any non-cash transactions with the Directors or persons connected with the Directors.
- xvi) In our opinion, the Company is not required to be registered under section 451A of the Reserve Bank of India Act, 1934.

For S.N.S ASSOCIATES
Chartered Accountants
Firm Reg No. 006297S

S. NAGARAJAN
Partner
Membership No. 020899

Chennai
Dated : 30.05.2019

“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of MIL INDUSTRIES LIMITED

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

We have audited the internal financial controls over financial reporting of **MIL INDUSTRIES LIMITED** (“the Company”) as of 31st March 2019 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls 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. 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 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls system 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 procedure selected depends on the auditor’s judgment, including the assessment of the risk 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 (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.

Opinion

In our Opinion, 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 March 31, 2019, 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.

Chennai
Dated : 30.05.2019

For S.N.S ASSOCIATES
Chartered Accountants
Firm Reg No. 006297S
S. NAGARAJAN
Partner
Membership No. 020899

MIL INDUSTRIES LIMITED

BALANCE SHEET AS AT 31st MARCH 2019

		Rs.	
PARTICULARS	Note No.	Figures as at the end of the current reporting period 31-03-2019	Figures as at the end of the previous reporting period 31-03-2018
ASSETS			
Non Current Assets			
i) Property, Plant and Equipment	4	63,655,828	50,851,113
ii) Capital Work in Progress			
iii) Financial Assets			
a) Investments	5	78,000	78,000
b) Other Financial Assets	6	1,378,725	3,045,825
Total Non current Assets	(A)	<u>65,112,553</u>	<u>53,974,938</u>
Current Assets			
Inventories	7	81,569,657	54,160,707
i) Financial Assets			
a) Trade Receivables	8	89,858,478	76,956,313
b) Cash and cash equivalents	9	133,415,305	130,550,678
ii) Other current assets	10	15,285,155	8,731,990
Total current assets	(B)	<u>320,128,595</u>	<u>270,399,688</u>
Total Assets	(A) + (B)	<u>385,241,148</u>	<u>324,374,626</u>
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	11	31,500,000	31,500,000
b) Other Equity			
Reserves and Surplus	12	252,328,811	207,246,310
Total Equity	(C)	<u>283,828,811</u>	<u>238,746,310</u>
LIABILITIES			
Non Current Liabilities			
i) Financial Liabilities			
a) Borrowings	13	-	-
ii) Deferred tax liabilities	14	2,617,542	1,022,005
iii) Other non current liabilities			
Total Non Current Liabilities	(D)	<u>2,617,542</u>	<u>1,022,005</u>
Current Liabilities			
i) Financial Liabilities			
a) Borrowings	15	-	12,416,162
b) Trade Payables		55,853,414	38,043,851
c) Other Financial Liabilities	16	30,677,661	27,520,266
ii) Other current liabilities	17	12,263,720	6,626,032
Total Current Liabilities	(E)	<u>98,794,795</u>	<u>84,606,311</u>
Total Equity and Liabilities	(C)+(D)+(E)	<u>385,241,148</u>	<u>324,374,626</u>

See Accompanying Notes to Financial Statements

Vide our report of even date attached

For **S.N.S ASSOCIATES**

Chartered Accountants

Firm Reg No. 006297S

S. NAGARAJAN
Partner
Membership No. 020899

V.P.K. MANI
Secretary

RAJIV SREEDHAR
Mnaging Director

NOMAN. H. MILLWALA
Director

Place: Chennai
Date: 30.05.2019

SAROJA RAMAN
Director

N. GURUSWAMY
Chief Financial Officer

MIL INDUSTRIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2019

			Rs.
PARTICULARS	Note No.	Figures for the current reporting period 31-03-2019	Figures for the previous reporting period 31-03-2018
INCOME			
Revenue From Operations	18	411,244,874	301,128,190
Less: Excise Duty		<u>-</u>	<u>1,815,058</u>
		411,244,874	299,313,132
Other Income	19	<u>15,021,500</u>	<u>22,992,008</u>
Total Revenue		<u>426,266,374</u>	<u>322,305,140</u>
EXPENSES			
Cost of raw materials and components consumed	20	132,917,331	87,825,710
Purchase of stock-in-trade		-	871,982
Changes in inventories of finished goods and work-in-progress	21	(22,145,170)	10,068,240
Employee Benefit Expenses	22	47,228,846	45,530,531
Finance Cost	23	3,458,674	4,216,602
Depreciation and amortisation expenses	4	8,139,422	8,834,041
Other Expenses	24	<u>187,272,664</u>	<u>139,721,774</u>
		<u>356,871,767</u>	<u>297,068,880</u>
Profit before exception and extraordinary items and tax		69,394,607	25,236,260
Extraordinary items		-	-
Profit before tax		69,394,607	25,236,260
Tax Expenses			
Current Tax		21,477,549	8,027,833
Deferred Tax		<u>1,595,537</u>	<u>239,327</u>
Profit after tax		<u>46,321,521</u>	<u>16,969,100</u>
Other Comprehensive Income			
Remeasurement of Defined Benetit Plans		(1,716,569)	(110,229)
Tax effect on above		477,549	27,833
Total Other Comprehensive Income for the year		<u>(1,239,020)</u>	<u>(82,396)</u>
Total Comprehensive Income for the year comprising Profit and Other Comprehensive income		<u>45,082,501</u>	<u>16,886,704</u>
Earnings per Equity Share (Basic and Diluted)		14.71	5.39

See accompanying Notes to Financial Statements

Vide our report of even date attached

For **S.N.S ASSOCIATES**

Chartered Accountants

Firm Reg No. 006297S

S. NAGARAJAN
Partner
Membership No. 020899

V.P.K. MANI
Secretary

RAJIV SREEDHAR
Mnaging Director

NOMAN. H. MILLWALA
Director

Place: Chennai
Date: 30.05.2019

SAROJA RAMAN
Director

N. GURUSWAMY
Chief Financial Officer

MIL INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

PARTICULARS	Figures for the current reporting period 31-3-2019	Figures for the previous reporting period 31-3-2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year before tax	69,394,607	25,236,260
Adjustments for		
Depreciation	8,139,422	8,834,041
Interest Expense	619,678	2,273,102
Interest income	(6,517,666)	(6,798,173)
Profit on sale of assets	(396,993)	(635,000)
Operating profit before working capital changes	<u>71,239,048</u>	<u>28,910,230</u>
Adjustments for changes in		
Other Non current financial assets	1,667,100	(567,568)
Trade Receivables	(12,902,165)	4,295,218
Inventories	(27,408,950)	6,609,567
Other Current Assets	(7,543,561)	2,275,917
Trade Payables	17,809,563	(9,359,818)
Bank deposits under lien and unclaimed dividend	-	19,508,623
Remeasurement of defined benefit obligations	(1,239,020)	(82,396)
Other Financial Liabilities	3,157,395	4,793,073
Other Current Liabilities	(1,039,689)	2,604,036
	<u>(27,499,327)</u>	<u>30,076,652</u>
Cash Generated from operations	43,739,721	58,986,882
Income tax paid (net)	(13,809,776)	(8,297,492)
Net Cash generated from Operations	(A) 29,929,945	<u>50,689,390</u>
B. CASH FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(21,007,144)	(4,112,406)
Proceeds from sale of Property, Plant and Equipment	460,000	635,000
Interest income	6,517,666	6,798,173
Net cash (used in)/from Investing activities	(B) (14,029,478)	<u>3,320,767</u>
C. CASH FROM FINANCING ACTIVITIES		
Interest expense	(619,678)	(2,273,102)
Repayment of Non Current Borrowings	(12,416,162)	(5,642,513)
Proceeds from current borrowings	-	8,466,929
Net cash (used in)/from Financing Activities	(C) (13,035,840)	551,314
Net increase/(decrease) in cash and cash equivalents	(A)+(B)+(C) 2,864,627	<u>54,561,471</u>
Opening Cash and Cash Equivalents (excluding deposits under lien)	120,538,760	67,772,304
Closing Cash and Cash Equivalents	123,403,387	120,538,760

See accompanying Notes to Financial Statements

Vide our report of even date attached

For **S.N.S ASSOCIATES**

Chartered Accountants

Firm Reg No. 006297S

S. NAGARAJAN
Partner
Membership No. 020899

V.P.K. MANI
Secretary

RAJIV SREEDHAR
Managing Director

NOMAN. H. MILLWALA
Director

Place: Chennai
Date: 30.05.2019

SAROJA RAMAN
Director

N. GURUSWAMY
Chief Financial Officer

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

1. Basis of preparation on Financial Statements

The Financial Statements upto the year ended 31st March 2017 were prepared in accordance with the Accounting Standards Rules 2006 (as amended) and other relevant provisions of the Companies Act 2013 (Indian GAAP).

The Ministry of Corporate Affairs (MCA) issued a notification on 16th February 2015 making Indian Accounting Standards (Ind AS) issued under section 133 of the Companies Act, 2013 mandatory for certain classes of companies.

As per the Notification Ind AS is mandatory for the Company for the Financial Year commencing from 1st April 2017. Accordingly the Company has adopted Ind AS from 1st April 2017 and the Financial Statements from the year 2017-18 are prepared in accordance with the principles laid down in the said Ind As.

The Financial Statements are presented Indian Rupees, which is the functional currency of the Company and the Currency of the primary economic environment in which the Company operates. The Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- (i) Certain financial assets and liabilities measured at fair values (please refer accounting policy regarding financial assets and financial liabilities)

The Company has considered its operating cycle to be 12 months for the purpose of current and non current classification of the assets and liabilities.

2. First time adoption of IND AS

The Company has restated the Financial Statements as at 1st April 2016, being the Transition Date on the following basis:

- (i) The Property, Plant and Equipment have been valued at historical cost and the revaluation of certain assets carried out in earlier years have been reversed and the value of Property, Plant and Equipment considered at the historical cost as on the Transition Date.
- (ii) The accounting for employee benefits have been carried out in accordance with the provisions of Ind AS 19 and necessary adjustments have been made in the Financial Statements.

Exemptions availed under Ind AS 101

- a) Property, Plant and Equipments
The historical cost of the Property, Plant and Equipment as at the Transition Date is adopted as the deemed cost.
- b) Investments in other companies
The Company has decided to carry its investments in other companies at deemed which is the previous GAAP carrying amount as on the date of transition to Ind AS.
- c) Interest Free Sales tax Loan
The Company has elected to use the previous GAAP carrying amount of the Interest Free Sakes Tax Kiabas the carrying amount of the Loan in the opening Ind AS Balance Sheet.
- c) Fair Value of Financial Assets and Liabilities
As per Ind AS Exemption, the Company has not fair valued the financial assets and liabilities retrospectively, and has measured the same prospectively.

3. Significant Accounting Policies

a) Use if Estnates

The preparation of the financial statements in conformity with the generally accepted Indian Accounting Standards (Ind AS) principles, requires the management to make estimates and assumption that affect

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

the reported amounts of the assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, the actual results could differ from these estimates.

b) Property, Plant and Equipments

Property, Plant and Equipments are accounted for at the deemed cost which is the historical cost as per the previous GAAP.

Depreciation is provided over the remaining useful life of the assets, as per Schedule II of the Companies Act, 2013 on Straight Line Basis in the case of Property, Plant and Equipment of PTFE Segment and written down value basis in respect of other assets.

c) Inventories

The Inventories of raw materials, stores and spares, Finished Goods and Work-in-progress are valued at lower of cost or realisable value. The cost in respect of Raw Materials and Stores and Spares are determined on the basis of weighted average cost.

d) Foreign Currency Transactions

Foreign exchange transactions are accounted for at the exchange rates prevailing on the date of the transactions. Assets and liabilities in foreign currency are translated at the rate of exchange difference prevailing on the reporting date. Gains or losses, if any, arising therefrom are recognised in the Profit and Loss Account.

e) Revenue Recognition

Revenue from sale of goods is recognised when significant risks and rewards of the ownership of the goods is ascribed to the buyer, usually on delivery of the goods.

Revenue from sale of goods is measured at the value of the consideration received or receivable, net of returns and discounts.

Revenue from rendering of services is recognised when the services are rendered in accordance with the specific terms of the contract and the collectability of the resulting receivable is reasonably assured.

Other operating revenues comprise of income from ancillary activities incidental to the operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract.

Dividend income from investments is recognised when the Company's right to receive the payment is established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income is recognised on time basis with reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

f) Research and Development

Research and Development expenses not resulting in tangible property/equipment are charged to Revenue.

g) Borrowing Costs

Interest and other cost in connection with borrowing of funds to the extent related / attributed to the acquisition / construction of qualifying fixed assets are capitalised upto the date when such assets are ready for its intended use. Other borrowing costs are charged to Profit and Loss Account.

h) Investments

Long Term Investments are carried at cost.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

i) Employee Benefits

- i) The Company is contributing to Provident Fund for the employees and the same is remitted to Regional Provident Fund Commissioner and charged to the Statement of Profit and Loss.
- ii) The Company has a superannuation scheme for eligible employees duly recognised by the Commissioner of Income tax and the annual liability as determined by Life Insurance Corporation of India is remitted as premium and charged to Statement of Profit and Loss.
- iii) The Company has a group gratuity scheme duly recognised by the Commissioner of Income tax and the annual liability determined by the Life Insurance Corporation of India is remitted as premium and charged to the Statement of Profit and Loss as actuarially based determined on Projected Unit Credit Method as per Ind AS 19.
- iv) The Company does not have a policy for encashment of leave at the time of retirement by employees and payments are made as and when claim is admitted and charged to Revenue.

j) Impairment of Assets

As at the Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

- i) the extent of recognition of impairment loss, if any, required or
- ii) the reversal, if any, required of impairment loss recognised in the previous periods, Where the carrying amount of an asset exceeds its recoverable amount, such excess is recognised as impairment loss and charged in the Statement of Profit and Loss,

k) Provisions and contingent liabilities

- i) Provision is recognised in respect of present obligation requiring settlement by outflow of resources and of which reliable estimate of the amount of obligation could be made.
- ii) Contingent liability is not recognised and is disclosed unless the possibility of outflow of resources embodying economic benefit is remote. Present obligation arising from the past events and the existence of which is subject to occurrence or non-occurrence of an uncertain future event is disclosed.

4. PROPERTY, PLANT AND EQUIPMENT

Rs.

GROSS BLOCK				
	As at 1-4-2018	Additions	Deletions	Balance 31-3-2019
Land				
Freehold				
Ambattur	172,887	-		172,887
Others	7,305,325	-	-	7,305,325
Leasehold land	238,485			238,485
Buildings	23,462,128	5,480,209		28,942,337
Plant and Equipment	102,293,123	15,082,071	862,125	116,513,069
Furniture and Fixtures	2,812,792			2,812,792
Vehicles	8,712,206			8,712,206
Office Equipment	7,453,934	77,083		7,531,017
Computers	1,953,005	367,781		2,320,786
TOTAL	154,403,885	21,007,144	862,125	174,548,904

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

Rs.

DEPRECIATION BLOCK				
PARTICULARS	As at 1-4-2018	For the year	Deletions	Balance 31-3-2019
Land				
Freehold				
Ambattur	-	-	-	-
Others	-	-	-	-
Leasehold land	78,814	3,196		82,010
Buildings	13,255,882	813,891		14,069,773
Plant and Equipment	73,715,539	5,867,034	799,118	78,783,455
Furniture and Fixtures	2,369,826	80,309		2,450,135
Vehicles	5,929,901	908,558		6,838,459
Office Equipment	6,842,319	134,518		6,976,837
Computers	1,360,491	331,916		1,692,407
TOTAL	103,552,772	8,139,422	799,118	110,893,076

Rs.

PARTICULARS	NET BLOCK	
	31-03-2019	31-03-2018
Land		
Freehold		
Ambattur	172,887	172,887
Others	7,305,325	7,305,325
Leasehold land	156,475	159,671
Buildings	14,872,564	10,206,246
Plant and Equipment	37,729,614	28,577,584
Furniture and Fixtures	362,657	442,966
Vehicles	1,873,747	2,782,305
Office Equipment	554,180	611,615
Computers	628,379	592,514
TOTAL	63,655,828	50,851,113

MIL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

	Rs.	
PARTICULARS	31-3-2019	31-3-2018
5. NON CURRENT INVESTMENTS		
Investments in Equity Instruments (fully paid up)		
Non Trade - Unquoted		
In other Companies		
7800 Equity Shares of Rs.10/- each fully paid up in MIL Trading Private Limited	78,000	78,000
	78,000	78,000
6. OTHER FINANANCIAL ASSETS		
Unsecured - Considered good		
Security Deposits	1,378,725	1,294,325
Capital Advances	-	1,751,500
	1,378,725	3,045,825
7. INVENTORIES		
Raw Materials	35,057,025	30,235,104
Work in progress	40,399,629	15,460,549
Finished Goods	3,469,805	6,263,715
Stores and Spares	2,643,198	2,201,339
	81,569,657	54,160,707
8. TRADE RECEIVABLES		
Unsecured - Considered good	89,858,478	76,956,313
	89,858,478	76,956,313
Age analysis of receivables		
Outstanding for more than six months from the date they are due	2,428,274	3,929,802
Other Debts	87,430,204	73,026,511
The above is after considering loss on fair valuation	1,833,847	1,570,537
9. CASH AND CASH EQUIVALENTS		
Cash on hand	179,445	140,737
Balance with Banks		
In Current Account	10,762,048	12,710,671
In Deposit Accounts	112,461,894	107,687,352
In Deposits offered as security for credit facilities	10,011,918	10,011,918
	133,415,305	130,550,678

MIL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

	Rs.	
PARTICULARS	31-3-2019	31-3-2018
10. OTHER CURRENT ASSETS		
Unsecured - Considered Good		
Advances to employees	191,350	242,982
Prepaid Expenses	1,319,786	1,463,836
Advance to suppliers	4,907,657	3,612,269
Rent Advance	-	13,000
Earnest Money Deposits	172,786	264,600
Tax Payments pending adjustment (net of provision)	-	990,396
Balance with Excise Department	207,803	207,806
Balance with Sales tax Department	2,616,817	1,937,101
MEIS Scrips on hand	1,054,496	-
Interest receivable	4,814,460	-
	15,285,155	8,731,990

11. EQUITY SHARE CAPITAL

SHARE CAPITAL

Authorised:

4,900,000 Equity Shares of Rs. 10/- each	49,000,000	49,000,000
100,000 10% Redeemable Cumulative Preference shares of Rs. 10/- each	1,000,000	1,000,000
250,000 10% Convertible Redeemable Cumulative Preference shares of Rs. 10/- each	2,500,000	2,500,000
	52,500,000	52,500,000

Issued, Subscribed and Fully Paid-up:

3,150,000 Equity Shares of Rs. 10/- each	31,500,000	31,500,000
	31,500,000	31,500,000

Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	No. of Shares	Value (Rs.)
Outstanding at the beginning of the year	3,150,000	31,500,000
Outstanding at the end of the year	3,150,000	31,500,000

MIL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

Shares in the company held by each shareholder holding more than 5% shares

S. No.	Name of the shareholder	No. of shares		Percentage of shares held	
		31.03.2019	31.03.2018	31.03.2019	31.03.2018
1	Krebs Engineering Private Limited	962,000	955,000	30.54%	30.32%
2	Saroja Raman	315,295	311,145	10.01%	9.88%
3	Mahendra Girdharilal	190,085	190,085	6.03%	6.03%
4	Tamilnadu Industrial Investment Corporation Ltd	168,000	168,000	5.33%	5.33%

12. OTHER EQUITY

Rs.

PARTICULARS	Capital Redemption Reserve	Capital Reserve	General Reserve	Surplus	Other Comprehensive Income	Total
Balance as at 1-4-2018	3,000,000	1,500,000	1,826,000	201,807,355	(887,045)	207,246,310
Remeasurement of defined benefit plans transferred to Other Comprehensive Income (net of tax)					(1,239,020)	(1,239,020)
Add: Profit for the year after tax				46,321,521		46,321,521
Balance as at 31-3-2019	3,000,000	1,500,000	1,826,000	248,128,876	(2,126,065)	252,328,811

Rs.

PARTICULARS	31-3-2019	31-3-2018
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13. BORROWINGS

The Company does not have any Long Term Borrowings.

- -

14. DEFERRED TAX LIABILITIES

On Account of Depreciation	3,127,718	1,022,005
On account of fair valuation of financial assets	(5,10,176)	-
	<u>2,617,542</u>	<u>1,022,005</u>

MIL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

	Rs.	
PARTICULARS	31-3-2019	31-3-2018
15. BORROWINGS		
(i) From Banks		
Working Capital Borrowings - Secured	-	8,916,162
Secured by hypothecation of all stocks of raw materials, stores and spares, work in progress, finished goods and book debts and also by way of first charge on the fixed assets of the Company.		
Period and amount of default - NIL		
(ii) From Others		
IFST Loan - Secured	-	3,500,000
Secured by way of pari passu second charge on all and singular plant and machinery and land and buildings at Gummidipoondi		
Factory		
Period and amount of default - NIL		
	<u>-</u>	<u>12,416,162</u>
16. OTHER FINANCIAL LIABILITIES		
Interest accrued but not due on loans	-	11,637,675
Advance from customers	30,677,661	15,882,591
	<u>30,677,661</u>	<u>27,520,266</u>
17. OTHER CURRENT LIABILITIES		
Security Deposits	192,000	205,000
Other Payables:		
IGST payable	-	4,192,551
TDS payable	423,286	471,812
Payable to employees	1,855,424	1,756,669
Provision for taxation (net of payments)	6,677,377	-
Others	3,115,633	-
	<u>12,263,720</u>	<u>6,626,032</u>

MIL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

		Rs.
	PARTICULARS	
	31-3-2019	31-3-2018
18. REVENUE FROM OPERATIONS		
Sale of products (Rubber Lining and PTFE)	343,947,421	274,130,286
Sale of Services	67,297,453	24,687,216
Sale of Stock -in-trade	-	2,310,688
	<u>411,244,874</u>	<u>301,128,190</u>
19. OTHER INCOME		
Gain on foreign currency transactions	2,293,435	1,021,824
Profit on sale of assets	396,993	635,000
Interest received	6,517,666	6,798,173
Rent received	420,000	420,000
Duty drawback		
Reversal of provision of Excise Duty on closing stock as at 31-3-2017	-	2,503,370
Credit balances no longer required written back	537,545	2,567,265
Bad debts written off recovered	400,000	905,055
Export Incentives:		
Merchandise Export and Incentive Scheme Scrips	3,414,929	-
Duty Draw back	1,012,169	892,613
Insurance claim received	-	7,248,708
Miscellaneous Receipts	28,763	-
	<u>15,021,500</u>	<u>22,992,008</u>
20. COST OF RAW MATERIALS AND COMPONENTS CONSUMED		
Raw materials and components	<u>132,917,331</u>	<u>87,825,710</u>
	<u>132,917,331</u>	<u>87,825,710</u>

MIL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

		Rs.	
	PARTICULARS	31-3-2019	31-3-2018
21. CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS			
Opening Stock			
Finished Goods	6,263,715	4,646,049	
Work in progress	15,460,549	27,146,455	
	21,724,264	31,792,504	
Closing Stock			
Finished Goods	3,469,805	6,263,715	
Work in progress	40,399,629	15,460,549	
	43,869,434	21,724,264	
(Increase)/Decrease in inventories of Finished Goods and Work in progress	(22,145,170)	10,068,240	
22. EMPLOYEE BENEFIT EXPENSES			
Salaries, Wages and Bonus	40,781,298	38,332,138	
Contribution to Provident and Other Funds	2,555,862	3,796,138	
Welfare Expenses	3,891,686	3,402,255	
	47,228,846	45,530,531	
23. FINANCE COSTS			
Interest Expense	619,678	2,273,102	
Other Borrowing Costs	2,838,996	1,943,500	
	3,458,674	4,216,602	

MIL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

		Rs.
	PARTICULARS	
	31-3-2019	31-3-2018
24. OTHER EXPENSES		
Lining Expenses	78,816,743	45,493,206
Power and fuel	13,090,035	12,463,801
Stores and Spares consumed	32,793,430	22,905,384
Rent	600,000	612,000
Insurance	984,162	1,970,242
Rates and Taxes	2,536,444	4,116,933
Postage and Telephone	1,217,729	1,184,564
Printing and Stationery	1,484,423	1,427,973
Travelling and Conveyance	12,985,367	10,409,813
Payment to Auditors:		
For Audit	240,000	240,000
For Certification	60,000	11,000
For Reimbursement of expenses	-	22,020
For Service tax	-	1,980
Repairs and Maintenance:		
Buildings	4,175,732	4,181,233
Plant & Machinery	5,331,030	7,187,184
Others	5,181,785	5,599,297
Maintenance expense		
Selling expenses	1,941,491	1,076,516
Professional fees	16,482,419	14,599,558
Advertisement and Sales Promotion	285,796	180,106
Loss on foreign currency transactions	2,907,076	217,954
Commission on Sales	200,000	
Directors' Sitting fees	220,000	120,000
Security Service Charges	2,363,810	2,095,865
Bad Debts Written off	1,672,395	49,350
CSR Expenditure	480,000	984,500
Donations	3,002	58,000
Loss on fair valuation of financial assets	263,310	1,570,537
Miscellaneous expenses	956,485	942,758
	<u>187,272,664</u>	<u>139,721,774</u>

MIL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

PARTICULARS	31.03.2019	31.03.2018
	Rs.	Rs.
25. Contingent Liabilities on account of:		
a) Guarantees given by Banks on behalf of the Company	49,226,778	41,240,472
b) <u>TN VAT Demand for the period April 2011 to March 2016</u> The Company's writ petition filed before the Madras High Court during the year ended 31-3-2018 against the remand orders passed by the Commercial Tax Officer, Patravakkam Assessment Circle for the reversal of input tax credit availed by the Company has been allowed and demanded to the CTO for passing fresh orders considering the earlier judgments of Madras High Court	-	4,582,010
26. Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for:	-	4,254,519
27. In the absence of information from the company's creditors with regard to submission of memorandum with the specified authority as required under MSMED Act, 2006, the company is unable to furnish the information under the said Act and there are no overdue principal amounts/interest paid or payable.		
28. The company has not discontinued any operations during the year.		
29. Corporate Social Responsibility: The Company is not required to spend any amount on Corporate Social Responsibility during the financial year 2018-19.		
30.1. Financial Risk Management and Objectives and Policies The Company's principal financial liabilities comprises of borrowings, and trade payables, The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets, comprise of trade receivables, investments and cash and cash equivalents that derive directly from the Company's operations. The Company's activities exposes it to various risks including market risk, liquidity risk and credit risk. Company's overall risk management focusses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.		
30.2. Disclosure of Fair Value Measurements The Fair value 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. The fair value of cash and deposits, trade and other short term receivables, trade payables, other current liabilities, loans from banks and other financial instruments approximate to the carrying amounts.		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

		Rs.
30.3. Employee Benefits	31.03.2019	31.03.2018
i) Provident Fund		
The Company is contributing to Provident Fund for its employees and the same is remitted to the Regional Provident Fund Commissioner and the amount is charged to Profit and Loss Account. The amount charged is	1,982,806	1,941,330
ii) Superannuation		
The Company has a Superannuation Scheme for eligible employees and the annual liability is determined by Life Insurance Corporation of India and is remitted as premium and charged to Profit and Loss Account. The amount charged is	944,500	701,100
iii) Leave encashment		
The Company does have a policy for encashment of leave by the employees and payments are made as when the claim is admitted and charged to Revenue.		
iv) Gratuity		
The Company has a group gratuity scheme which is administered by a separate trust and the annual liability as determined by Life Insurance Corporation of India, based on actuarial valuation using projected unit credit method and is charged off to revenue.		
a) Assumptions used		
Gratuity		
Discount Rate	7.52%	7.54%
Salary Escalation	7.00%	7.00%
Expected return on plan assets	7.52%	7.54%
Attrition rate	13.00%	13.00%
Average age	40.04	40.41
b) Movement in present value of Defined Benefit Plan (Gratuity) during the year		
Opening value of DBO at the beginning of the year	9,002,633	7,682,611
Current Service Cost	646,418	593,408
Interest Cost	652,569	579,269
Benefits paid	(813,306)	-
Actuarial (Gains)/Loss	951,547	147,345
Closing value of DBO at the end of the year	10,439,861	9,002,633
c) Movement in Plan assets during the year		
Fair value of plan assets at the beginning	9,969,470	8,233,307
Interest income of the assets	765,022	659,965
Employer contribution	1,220,705	1,039,082
Benefits paid	(813,306)	-
Actuarial gain/(Loss)	(765,021)	37,116
Fair value of plan assets at the end of theyear	10,376,870	9,969,470

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019**d) Sensitivity Analysis**

Significant actuarial assumptions for determination of defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reported:

If the discount rate is 100 basis points higher or lower, the defined benefit obligation would increase by	458,819	330,343
decrease by	419,495	358,644
If the expected salary increases/decreases by 100 basis points, the defined benefit obligation would increase by	450,032	328,482
decrease by	417,935	308,057

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the range in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the methods and assumptions used in preparing the above sensitivity analysis.

- 31** The Company expects to make a contribution of Rs.7,46,556/- to the defined benefit plan (gratuity - funded) during the next financial year.

MIL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

PARTICULARS	31-03-2019		31-03-2018	
	Qty.	Value Rs.	Qty.	Value Rs.
32. ADDITIONAL NOTES				
a) Turnover				
Rubber				
Manufacturing :				
- Rubber lining Products (Sq.M.)	31,333	209,075,339	30,021	158,994,379
- Other Recoveries		-		478,648
		<u>209,075,339</u>		<u>159,473,027</u>
Trading :				
- Rubber lining Materials-Solvents, Thinners, Bonding Agents etc.		-		2,310,688
Service:				
- Rubber lining		66,809,003		1,353,827
Total income - Segment A		<u>275,884,342</u>		<u>163,137,542</u>
PTFE				
Manufacturing :				
- PTFE Lined Pipes and Fittings and PTFE Products (Kgs)	13935	134,872,082	17,170	135,485,160
- Other Recoveries		-		132,680
		<u>134,872,082</u>		<u>135,617,840</u>
Service:				
- PTFE Coating, etc		488,450		557,750
Total income - Segment B		<u>135,360,532</u>		<u>136,175,590</u>
Total Turnover - Sales		<u>411,244,874</u>		<u>299,313,132</u>

MIL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

PARTICULARS	31-03-2019		31-03-2018	
	Qty.	Value Rs.	Qty.	Value Rs.
b) Raw materials and components consumed (kgs) :				
Manufacturing:				
1. Natural and Synthetic rubber	151,526	39,693,593	135,205	21,036,537
2. Fillers	144,745	3,276,902	103,887	10,223,576
3. Solvents	72,560	6,512,902	76,415	6,660,426
4. Special Curing and bonding agents	19,834	3,488,295	18,202	4,137,860
5. Resins	14,455	16,759,628	17,198	17,106,077
6. Steel Pipes, Pipe Fittings, Steel Equipments of various specifications	-	58,210,079	-	24,810,052
7. Others	-	4,975,932	-	3,851,182
		<u>132,917,331</u>		<u>87,825,710</u>
Trading				
Bought out components of various specification and descriptions		-		871,982
c) Opening and Closing stock of goods produced:				
Finished Goods:				
Opening Stock				
- Rubber Lining Products (Sq. M.)	116	288,218	28	86,349
- PTFE Lined Products (Kgs)*	10,40	5,975,497	974	4,559,700
		<u>6,263,715</u>		<u>4,646,049</u>
Closing Stock				
- Rubber Lining Products (Sq. M.)	40	317,106	116	288,218
- PTFE Lined Products (Kgs)*	707	3,152,699	1,040	5,975,497
		<u>3,469,805</u>		<u>6,263,715</u>
(* Represents PTFE content in Finished Products)				

MIL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

PARTICULARS	31-03-2019		31-03-2018	
	Qty.	Value Rs.	Qty.	Value Rs.
d) Capacity and Production:				
Licenced Capacity :				
1. Rubber lining	(Sq. M)	53,348	(Sq. M)	53,348
2. Fabrication of Steel Equipment for Rubber lining	(MT)	1,090	(MT)	1,090
3. PTFE (Resin Weight)	(MT)	50	(MT)	50
4. Fabrication of Steel Pipes & Fittings for PTFE Lining	(MT)	550	(MT)	550
Installed Capacity :				
(as certified by the Mg. Director)				
1. Rubber lining	(Sq. M)	53,348	(Sq. M)	53,348
2. Fabrication of Steel Equipment for Rubber lining	(MT)	1,090	(MT)	1,090
3. PTFE (Resin Weight)	(MT)	50	(MT)	50
4. Fabrication of Steel Pipes & Fittings for PTFE Lining	(MT)	550	(MT)	550
Actual Production				
1. Rubber lining	(Sq. Mtr.)	31,257	(Sq. Mtr.)	30,109
2. PTFE (Resin Weight)	(Kgs.)	13,602	(Kgs.)	17,238
e) Value of Imports calculated on CIF basis :				
1. Raw Materials		13,085,773		8,982,195
2. Others		7,808,699		-
		<u>20,894,472</u>		<u>8,982,195</u>
f) Expenditure in foreign currency:				
Foreign Travel		1,490,530		1,050,029
Fees for services rendered outside India		15,805,902		-
		<u>17,296,432</u>		<u>1,050,029</u>

MIL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

PARTICULARS	31-03-2019		31-03-2018	
	Qty.	Value Rs.	Qty.	Value Rs.
	%	Rs.	%	Rs.
g) Details regarding consumption of imported and indigenous materials				
1. Raw Materials & Components				
Imported	13.27	17,639,381	9.35	8,289,824
Indigenous	86.73	115,277,950	90.65	80,407,868
	<u>100</u>	<u>132,917,331</u>	<u>100.00</u>	<u>88,697,692</u>
2. Stores & Spare Parts				
Imported	0.17	54,190	0.34	78,921
Indigenous	99.83	32,739,240	99.66	22,826,463
	<u>100.00</u>	<u>32,793,430</u>	<u>100.00</u>	<u>22,905,384</u>
h) Number of Non-resident shareholders		28		28
Number of Shares held		125,000		125,000
(i) Earnings in Foreign Exchange				
1. Export of goods on FOB basis		91,127,337		50,160,380
2. Technical Services		45,212,432		832,941
		<u>136,339,769</u>		<u>50,993,321</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019
33. SEGMENT REPORTING

Based on the guiding principle given in the Accounting Standard-17 "Segment Reporting", the Company's primary segments are

- a) Rubber Lining of Equipment and Rubber Products,
- b) PTFE Lining of Pipes & Fittings and PTFE Products.

The above business segments have been identified considering :

- 1) The nature of the Products
- 2) The related risks and returns
- 3) The internal financial reporting systems

Revenue and expenses have been accounted for on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocable Expenses".

Particulars	(In Rupees)	(In Rupees)
	Year to date figures for the period 01.04.2018 to 31.03.2019	Year to date figures for the period 01.04.2017 to 31.03.2018
1. Segment Revenue		
a. Rubber Lining & Rubber Products	275,884,342	163,137,542
b. PTFE Lining & PTFE Products	135,360,532	136,175,590
Total	411,244,874	299,313,132
Less: Inter segment revenue	-	-
Net Sales / Income from Operations	411,244,874	299,313,132
2. Segment Results Profit / (loss) (before tax and interest from each segment)		
a. Rubber Lining & Rubber Products	53,120,950	13,682,480
b. PTFE Lining & PTFE Products	26,319,967	37,570,533
Total	79,440,917	51,253,013
Less: i. Interest and Finance Charges	3,458,674	4,216,602
ii. Other un-allocable expenditure net of unallocable income	6,587,636	21,800,151
Total Profit Before Tax	69,394,607	25,236,260
Capital Employed (Segment assets - Segment Liabilities)		
a. Rubber Lining & Rubber Products	132,339,024	127,728,856
b. PTFE Lining & PTFE Products	151,489,787	111,017,454
Total	283,828,811	238,746,310

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

34. Disclosures as required by the Accounting Standard 18 “Related Party Disclosures” are given below :

a) Key Management Personnel

Mr. Rajiv Sreedhar - Managing Director

Mr. V.P.K. Mani - Company Secretary

Mr. N. Guruswamy - Chief Financial Officer

b) Disclosure of Related Party Transactions and Year End Balances

c) Investing Company : Krebs Engineering Private Limited

Particulars	31.03.2019 Amount in Rs.			31.03.2018 Amount in Rs.		
	Nature of Transaction			Nature of Transaction		
	Remune- ration	Rent Paid	Year End Balance	Remune- ration	Rent Paid	Year End Balance
Key Management Personnel						
Mr. Rajiv Sreedhar - Managing Director	6,082,810	600,000	–	6,643,907	600,000	–
Mr. V.P.K. Mani - Company Secretary	600,000	–	–	450,000	–	–
Mr. N. Guruswamy - Chief Financial Officer	1,200,000	–	–	1,110,000	–	–
Directors		Sitting Fees	–		Sitting Fees	–
Mr. S.S.R. Rajkumar	–	65,000	–	–	30,000	–
Mr. Noman H. Millwala	–	65,000	–	–	30,000	–
Mrs. Saroja Raman	–	25,000	–	–	30,000	–
Dr. T.Venkatesan	–	65,000	–	–	30,000	–

There are no transactions with Krebs Engineering Private Limited either during the current financial year or in the preceding financial year.

MIL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

	31-3-2019	31-3-2018
35. Earnings Per Share		
Profit for the year attributable to Equity Shareholders	46,321,521	16,969,100
Number of Equity Shares of Rs.10/- each	3,150,000	3,150,000
Earnings Per Share - Basic and Diluted	14.71	5.39

36. Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.

Vide our report of even date attached

For **S.N.S ASSOCIATES**

Chartered Accountants

Firm Reg No. 006297S

S. NAGARAJAN
Partner
Membership No. 020899

V.P.K. MANI
Secretary

RAJIV SREEDHAR
Managing Director

NOMAN. H. MILLWALA
Director

Place: Chennai
Date: 30.05.2019

SAROJA RAMAN
Director

N. GURUSWAMY
Chief Financial Officer

Route map for the location of the venue of the Annual General Meeting of the Company is given below:



MIL Industries Limited

Registered Office: 25-A, SIDCO Industrial Estate, Ambattur, Chennai 600098.
CIN: L25199TN1966PLC005397, Email: mil@miliindustries.com
Phone:044-2625 8382 Website: www.milindustries.com

Form No. MGT-11

PROXY FORM

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

CIN	L25199TN1966PLC005397	E-Mail ID	
Name of the Company	MIL Industries Limited	Folio No.	
Registered Office	25-A, SIDCO Industrial Estate Ambattur, Chennai 600098	DP ID / Client ID	
Name of the Member(s)		No. of Shares	
Registered address:			

I/ We being the member of **MIL Industries Limited**, holding.....Equity shares, hereby appoint:

S. No.	Name	Address	Email ID	Signature	
1.					Or failing him
2.					Or failing him
3.					

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 53rd Annual General Meeting of the Company, to be held on Monday, the 16th September, 2019 at 4.30 p.m. at the Registered Office of the Company at 25-A, SIDCO Industrial Estate, Ambattur, Chennai - 600 098, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote	
		For	Against
1.	Adoption of audited financial statements of the Company for the financial year ended 31st March 2019 together with the reports of the Board of Directors' and Auditors' thereon.		
2.	Re-appointment of Mrs. Saroja Raman, as director, who retires by rotation.		

Signed this day of 2019.

Signature of Shareholder Signature of Proxy holder(s)

Affix
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, before the commencement of the Meeting.

MIL INDUSTRIES LIMITED

CIN: L25199TN1966PLC005397

Registered Office: 25-A, SIDCO Industrial Estate, Ambattur, Chennai - 600 098.

Phone: 044 - 2625 8382

E-mail: mil@milindustries.com, Website: www.milindustries.com

ATTENDANCE SLIP

53rd ANNUAL GENERAL MEETING

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 53rd Annual General Meeting of the Company being held on Monday, the 16th September, 2019 at 4.30 p.m. at the registered office of the Company at 25-A, SIDCO Industrial Estate, Ambattur, Chennai - 600 098.

Member's Folio/
DP ID-Client ID No.

Member's / Proxy's Name
in Block Letters

Member's / Proxy's
Signature

VOTING THROUGH ELECTRONIC MEANS

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN

Note: Please fill in the Attendance Slip and hand it over at the entrance of the hall.

