

# MIL MIL INDUSTRIES LIMITED

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



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

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E-MAIL : [mil@milindustries.com](mailto:mil@milindustries.com), CIN : L25199TN1966PLC005397, GST No: 33AAACM4380Q1Z5  
[secretarial@milindustries.com](mailto:secretarial@milindustries.com)

21.09.2020

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

(Symbol - MILIND, Series-BE)

Dear Sir,

**Sub: Submission of 54th Annual Report 2020-Reg.**

In reference to above, please find enclosed 54th Annual Report for the F.Y 2019-20 in compliance with Regulation 34 of SEBI (LODR) Regulations, 2015 for your records and action.

Thanking You,

Yours faithfully,

For MIL INDUSTRIES LIMITED

U. VISWANATH  
COMPANY SECRETARY



**MIL INDUSTRIES LIMITED**

**MIL**

**FIFTY FOURTH ANNUAL REPORT 2020**

## MIL INDUSTRIES LIMITED

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<b>CHAIRMAN</b>	NOMAN H. MILLWALA
<b>MANAGING DIRECTOR</b>	RAJIV SREEDHAR
<b>DIRECTORS</b>	SAROJA RAMAN K.J. JANAKAR Dr. T. VENKATESAN
<b>CHIEF FINANCIAL OFFICER</b>	N. GURUSWAMY
<b>COMPANY SECRETARY</b>	V.P.K. MANI (upto June 8, 2020) U. VISWANATH (from July 29, 2020)
<b>BANKERS</b>	UCO Bank, International Banking Branch Chennai- 600 001
<b>AUDIT COMMITTEE</b>	NOMAN H. MILLWALA, <i>Chairman</i> RAJIV SREEDHAR, <i>Member</i> KJ JANAKAR, <i>Member</i>
<b>NOMINATION AND REMUNERATION COMMITTEE</b>	KJ JANAKAR, <i>Chairman</i> NOMAN H. MILLWALA, <i>Member</i> Dr. T. VENKATESAN, <i>Member</i>
<b>STAKEHOLDERS RELATIONSHIP COMMITTEE</b>	NOMAN H. MILLWALA, <i>Chairman</i> RAJIV SREEDHAR, <i>Member</i> Dr. T. VENKATESAN, <i>Member</i>
<b>CSR COMMITTEE</b>	NOMAN H. MILLWALA, <i>Chairman</i> RAJIV SREEDHAR, <i>Member</i> SAROJA RAMAN, <i>Member</i>
<b>STATUTORY AUDITORS</b>	S.N.S. Associates, Chartered Accountants, Chennai
<b>INTERNAL AUDITORS</b>	Suri & Co., Chartered Accountants, Chennai
<b>SECRETARIAL AUDITOR</b>	A.K.Jain & Associates, Company Secretaries, Chennai
<b>REGISTRAR AND SHARE TRANSFER AGENT</b>	INTEGRATED REGISTRY MANAGEMENT SERVICES PVT LIMITED 'Kences Towers', II Floor, No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017

# MIL INDUSTRIES LIMITED

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**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.

**LISTED WITH**

METROPOLITAN STOCK EXCHANGE OF  
INDIA LIMITED (MSEI)

**SYMBOL**

MILIND

**ISIN**

INE651L01019

**CIN**

L25199TN1966PLC005397

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the fifty fourth annual general meeting of MIL Industries Limited will be held on Thursday, the 15th October, 2020 at 11.30 a.m. [Indian Standard Time (IST)] through Video Conferencing / Other Audio Visual Means to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited financial statements for the year ended 31st March, 2020 and the reports of the Directors and Auditors thereon;

### SPECIAL BUSINESS:

#### 2. APPOINTMENT OF DR.T. VENKATESAN (DIN 01793232) WHO RETIRES BY ROTATION

To consider passing the following resolution as a special resolution:

**RESOLVED THAT** subject to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), Dr.T.Venkatesan (holding DIN 01793232), a Non-Executive Director, aged 83 years, who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company.

#### 3. APPOINTMENT OF MR. NOMAN H. MILLWALA (DIN 00471544) AS A NON-INDEPENDENT DIRECTOR OF THE COMPANY WITH EFFECT FROM 16TH OCTOBER 2020:

To consider passing the following resolution as a special resolution:

“**RESOLVED THAT** pursuant to provisions of Section 152 and all other applicable provisions of the Companies Act, 2013 and rules of the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, (as amended) based on the recommendation of Nomination and Remuneration Committee and Board of Directors, Mr. Noman H. Millwala who holds office as an independent director of the company upto the 54th Annual General Meeting, the consent of the members be and is hereby accorded for his appointment as a non-executive non-independent Director of the Company with effect from 16th October 2020, who is above the age of seventy five (75) years and, he shall be liable to retire by rotation in accordance with the provisions of the Companies Act, 2013 and Articles of Association of the company.”

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

#### 4. ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATIONS AS PER COMPANIES ACT, 2013:

To consider passing the following resolution as a special resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions if any of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and read with rules made there under consent of the members be and are hereby accorded to adopt new set of Articles of Association in accordance with the provisions of Companies Act, 2013 in place of existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as may be required to be done to give effect to this resolution.”

#### 5. ADOPTION OF NEW MEMORANDUM OF ASSOCIATION AS PER COMPANIES ACT, 2013:

To consider passing the following resolution as a special resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 13 and other applicable provisions of the Companies Act, 2013 and read with applicable provisions of the Companies Rules, 2014 and

## MIL INDUSTRIES LIMITED

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recommendation made by the Board, consent of the members be and are hereby accorded to adopt new set of Clauses of Memorandum of Association of the Company in accordance with the provisions of the Companies Act, 2013 in place of the existing Memorandum of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as may be required to be done to give effect to this resolution.”

By Order of the Board  
for **MIL Industries Limited**

Place : Chennai  
Date : September 10th, 2020

U. VISWANATH  
Company Secretary

### NOTES:

1. In view of the COVID-19 pandemic situation, Ministry of Corporate Affairs vide its Circular no. 20/2020 dated May 5, 2020 read with Circular No.14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India ("SEBI") allowed conducting of Annual General meeting through video conferencing (VC) or other audio visual means (OAVM) to avoid the physical presence of members at a common venue. In compliance with the provisions of Companies Act, 2013 & SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Company is being held through VC/ OAVM only. Hence members can attend and participate at the ensuing Annual General Meeting through VC/ OAVM. The Company has engaged National Securities Depository Limited (NSDL) for facilitating voting through electronic means i.e., remote e-voting and voting on the date of the AGM.
2. Pursuant to the aforesaid Circulars, the facility to appoint proxy by Members under Section 105 of the Companies Act, 2013 to attend and cast vote for the Members is not available for this Annual General Meeting as the physical attendance of Members has been dispensed with. However, Corporate members are requested to send a copy of Board Resolution/ Power of Attorney authorising their representative to attend the AGM through VC / OAVM and cast their votes through remote e-voting.
3. In terms of Section 102 of the Companies Act, 2013 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, an explanatory statement setting out the material facts concerning special business to be transacted at the AGM is annexed and forms part of this Notice. Information pursuant to Regulation 36(3) of SEBI LODR and Secretarial Standard on General Meeting (SS2) in respect of the Directors seeking appointment /re-appointment, as the case may be, at the AGM is furnished in the Annexure to this Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
4. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to the members on "first come first served" basis. This will not include large Shareholders (Shareholders holding 2% or more of the total number of shares of the Company as on the cut off date as defined), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of "first come first served" basis.
5. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
6. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

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7. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker and send their request mentioning their name, demat account number/folio number, email id, mobile number at [secretarial@milindustries.com](mailto:secretarial@milindustries.com) atleast 48 hours in advance before the start of the meeting i.e. by 13th October 2020 by 11:30 A.M. IST.
8. In line with MCA Circular No. 17/2020 dated 13th April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.milindustries.com](http://www.milindustries.com). The Notice can also be accessed from the website of the Stock Exchange at [www.mse.com](http://www.mse.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
9. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
10. Regulation 12 and Schedule I of SEBI (LODR) Regulations, 2015 among other things, mandates the usage of electronic payment instruments, companies whose securities are listed on the stock exchanges shall maintain requisite bank details of their investors. Schedule I of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 also provides that only in cases where MICR, IFSC Code required for making electronic payment are not available or the electronic payments instructions have failed or have been rejected by the Bank, companies / R&STA can make cash payments (i.e. dividend warrants) to investors. However, even while making such payments, companies shall mandatorily print the bank account details of the investors on such electronic payments. In view of the above circular, investors may note the following advice.
11. Members, holding shares in electronic form, may please note that, as per the applicable regulations of the Depositories, the bank details as furnished by the respective Depositories to the Company will be printed on the dividend warrants/cheques issued from time to time. The Company will not entertain any direct request from such members for deletion of / change in such bank details. Further, instructions if any, already given by members in respect of shares in physical form will not be automatically applicable to the dividend payable on shares in electronic form.  
  
Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, directly to their Depository Participants. Members holding shares in electronic form are requested to advise change of their address and nomination to their Depository participants.
12. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in a physical form can submit their PAN to the Company or Integrated Registry Management Services Private Limited.
13. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank account details such as, name of the bank and branch, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form Members holding shares in physical form are requested to advise the above changes and Transmission of Shares to the Company's RTA viz. M/s. Integrated Registry Management Services Private Limited.
14. Further, the Company draws your attention to the notification issued by SEBI dated June 08, 2018 and the press release dated 3rd December 2018 amending Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Pursuant to the amended provisions, any request for effecting transfer of shares in physical form shall not be processed except in case of transmission or transposition of shares unless the shares are held in demat form. Hence, the Company / Registrar and Share Transfer Agent would not be in a position to accept/ process the requests for transfer of shares held in physical form with effect from 01.04.2019. Therefore, the Company advises you to take immediate steps for dematerializing your shareholding in the Company. Holding of shares in dematerialized form offers lots of benefits like enhanced security, ease of handling, faster transfers and eliminating bad

deliveries. In view of the above, in order to ensure that you are able to deal in the shares hassle-free, kindly take steps for dematerializing the shares at the earliest.

15. 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 Friday 9th October 2020 to 15th October, 2020 both days inclusive.
16. Members who have not registered their e-mail address so far are requested to register their e-mail address, by sending an email to [secretarial@milindustries.com](mailto:secretarial@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. Electronic copy of the Annual Report and the Notice of the AGM inter-alia indicating the process and manner of e-Voting are being sent to all the Members whose e-mail IDs are registered with the Company / DPs for communication purposes.
17. During the AGM, the register of Directors and KMPs and their shareholding, the register of contracts or arrangements in which Directors are interested and Memorandum and Articles of Association will be available for inspection through electronic mode.
18. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed to this Notice.
19. The Annual Report for the year 2019-20 of the Company circulated to the members of the Company will be made available on the Company's website at [www.milindustries.com](http://www.milindustries.com) and also on the website of the stock exchange at [www.msei.com](http://www.msei.com)
20. Registrar of Companies vide its order dated 08.09.2020 Ref:No.ROC-CHN/96-AGM/2020, has granted extension for all the companies for holding of Annual General Meeting (AGM) in respect of the financial year ended on 31.03.2020 upto 3 months from the due date of the AGM. Therefore, Board of directors decided to avail the relaxation for holding the AGM after the due date i.e. 30.09.2020 due to the Covid-19 pandemic situation and continuous lock down imposed by the State / Central Government, the finalisation of accounts delayed. Further the company has convened its annual general meeting within the extended period of 3 months.

### **Voting through electronic means**

Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (LODR) Regulations, 2015 (as amended) and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company shall provide the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM, 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).

A member may participate in the meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting.

### **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 Monday, 12th October, 2020 (9:00 a.m. IST) and ends on Wednesday, 14th October, 2020 (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 Thursday, October 8th, 2020 may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

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](http://www.evoting.nsdl.com).

- b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto: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.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:**

- a) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
- b) Only those Members / shareholders, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system at the AGM.
- c) Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- d) The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-Voting.

### 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](mailto:mil@milindustries.com) with a copy marked to [evoting@nsdl.co.in](mailto: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](http://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](http://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/](mailto:pallavid@nsdl.co.in) [evoting@nsdl.co.in](mailto: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: [secretarial@milindustries.com](mailto:secretarial@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 October 8th, 2020.
- IV. Any person, who acquires shares of the Company and become a member of the Company after sending soft copy of the notice and holding shares as of the cut-off date may obtain the User ID and password by sending a request at [evoting@nsdl.co.in](mailto: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](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990
- V. 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.
- VI. 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 remote e-voting process in a fair and transparent manner.
- VII. The Scrutinizer shall after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer’s report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such report shall then be sent to the Chairman or a person authorized in this regard, within 48 (forty eight) hours from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.
- VIII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.milindus.com](http://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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## ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and information as required under Regulation 36(3) SEBI (LODR) Regulations, 2015.

### Item No. 2

Dr. T. Venkatesan, was appointed as a non-executive director of the company on 27.09.2007. He is associated with the Company as a non-executive director for more than 10 years and is aged about 83 years. As per Regulation 17(1A) of Listing Regulations no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five (75) years unless a special resolution is passed to that effect and the explanatory statement annexed to the notice proposing such appointment specifies the justification for such appointment. The Directors are of the view that though he has attained the age of 83 years, considering his knowledge and experience it is in the best interests of the Company to continue him as a Non-executive director of the Company.

Except Dr. T. Venkatesan, being the appointee, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution.

The board therefore recommends the Special Resolutions as set out in the Notice for approval by the shareholders of the Company.

### Information required in terms of Regulation 36 (3) of SEBI (LODR) Regulations, 2015 as under:

Dr. T. Venkatesan, is having the qualification of M.B.B.S., F.C.C.P experienced and having qualification for re-appointment as a non-executive director. Therefore, Nomination and Remuneration Committee (NRC) and Board considered that it will be prudent to appoint him as Non Executive-Non Independent Director and recommend the proposal of his re-appointment to the Shareholders, by way of a special resolution.

He holds Directorship in MIL Industries and Aerospace Limited.

He is the member of the Nomination and Remuneration Committee (NRC) and Stakeholders' Relationship Committee (SRC). He holds 500 shares in the company and he is not related to any director.

### Item No. 3

Mr. Noman H. Millwala was appointed as an Independent Director ("ID") of the company at the 52nd Annual General Meeting of the company for the consecutive period of two years and he will hold office upto 54th Annual General meeting. The Nomination and Remuneration Committee and board has recommended his appointment as a non-independent director after his expiration of the current term.

In terms of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, appointment or continuation by a person as a non-executive Director who has attained the age of 75 years, requires a special resolution to that effect and the explanatory statement annexed to the Notice for such motion shall indicate the justification for appointing such a person.

Considering his experience, both the Nomination and Remuneration Committee of directors and the board were of the opinion, after evaluating his performance, experience, competency and other attributes, were of the view that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services for the company. Therefore, it is proposed to appoint him as non-executive non-independent director, liable to retire by rotation, w.e.f. 16th October 2020.

Except Mr. Noman H. Millwala, none of the other directors or key managerial personnel of the Company or their relatives is concerned or interested, financially or otherwise, in this resolution.

The board therefore recommends the Special Resolutions as set out in the Notice for approval by the shareholders of the Company.

## **MIL INDUSTRIES LIMITED**

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### **Information required in terms of Regulation 36 (3) of SEBI (LODR) Regulations, 2015 as under:**

Mr. Noman H. Millwala, aged 75 years, having vast experience in business and qualifications B.A.B.L., P.G. Dip. In Tax.

He holds Directorship in the following companies:

1. Fermier Engineers Private Ltd.
2. AHT Holdings Private Limited.

He is a chairman of Audit Committee, Stakeholders Relationship Committee, CSR Committee and member of Nomination and Remuneration Committee. He is not related to any director of the company. He holds 3750 shares in the company.

### **Item No. 4 & 5:**

The existing Articles of Association (“AoA”) and Memorandum of Association of the Company, based on the Companies Act, 1956 are no longer in conformity with the 2013 Act. Given this position, it is considered expedient to adopt a new set of Articles of Association and Memorandum of Association (primarily based on Table F & Table A set out under Schedule I to the Companies Act, 2013) in place of existing AOA & MOA, instead of amending it by alteration/incorporation of provisions of 2013 Act.

As per the provisions of Section 13 & 14 of the Companies Act, 2013, a special resolution has to be passed by the members of the Company for adoption of amended and restated AOA & MOA of the Company.

The Board recommends the above resolutions to the shareholders for their approval as Special Resolutions.

A copy of amended and restated AOA of the Company would be available for inspection of the members at the Registered Office of the Company during the business hours on any working day.

None of the directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the said resolution.

# MIL INDUSTRIES LIMITED

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## DIRECTORS' REPORT

TO THE MEMBERS,

The Directors have pleasure in presenting their Fifty fourth Annual Report together with the Audited Financial Statement for the year ended 31<sup>st</sup> March, 2020.

### FINANCIAL RESULTS (Standalone & Consolidated)

(Rs. in lakhs)

Particulars	Standalone		Consolidated*
	For the year ended 2020	For the year ended 2019	For the year ended 2020
Profit Before Finance cost, Depreciation and Tax	1,197.22	809.92	1,196.75
Less:			
i) Finance Cost	26.76	34.59	26.76
ii) Depreciation	113.35	81.39	113.35
iii) Provision for Taxation			
- Current Tax	326.59	214.77	326.59
- Deferred Tax	(27.98)	15.95	(27.98)
Profit after Tax	758.50	463.22	758.04

\* Since the company has acquired wholly owned Subsidiary i.e. MIL Industries and Aerospace Limited only during the year. Therefore, previous year figures for consolidated are not furnished in the above results.

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. 2,758.84 lakhs in the previous year to Rs. 4,314.16 Lakhs in the current year.

There has been an increase in the turnover of PTFE Division from Rs. 1,353.61 lakhs in the previous year to Rs. 1,779.19 lakhs in the current year.

The company's export earnings have decreased from Rs. 1,363.40 lakhs in the previous year to Rs. 824.86 lakhs in the current year due to low demand for the Company's export products.

### DIVIDEND

The Board of Directors at their meeting held on 28.08.2019 declared an interim dividend of Rs 1/- per share (10%) during the year absorbing a sum of Rs. 31,50,000/- (excluding Dividend distribution Tax Rs.6,47,492).

The Board does not recommend any further dividend for the year under consideration.

### EXTRACT OF ANNUAL RETURN

The details forming part of the extract of Annual Return as on the financial year ended on 31<sup>st</sup> March 2020 in Form MGT-9 is attached as annexure - I.

The same is available on the Company's website [www.milidus.com](http://www.milidus.com)

# MIL INDUSTRIES LIMITED

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## **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;
- ii) The Directors had selected such accounting policies and applied them consistently and made judgments 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 2019-2020 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; and
- 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.

## **PUBLIC DEPOSITS**

The Company has not accepted any deposits from public during the year within the meaning of Section 76 of the Act, 2013, for the year ended 31st March 2020.

## **RELATED PARTY TRANSACTIONS**

All Related Party Transactions that were entered into during the financial year were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations.

No material Related Party Transactions were entered into during the financial year by the Company. Therefore, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company.

## **SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES**

MIL Industries and Aerospace Limited became wholly owned subsidiary of MIL Industries Limited during the year as approved by the board of directors at their meeting held on 12th November 2019.

## **CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements of the Company are prepared in accordance with the provisions of Section 129 of the Act, 2013 read with the Companies (Accounts) Rules, 2014 and Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations) along with a separate statement containing the salient features of the financial performance of subsidiaries in the prescribed form. The audited consolidated financial statements together with Auditors' Report form part of the Annual Report.

The Consolidated Profit Before Tax of the Company and its subsidiary amounted to Rs. 1056.64 lakhs for the financial year 2019-20.

The audited financial statements of the subsidiary company will be made available to the Shareholders, on receipt of a request from any Shareholder and it has also been placed on the website of the Company. This will also be available for inspection by the Shareholders at the Registered Office during the business hours as mentioned in the Notice of AGM.

# **MIL INDUSTRIES LIMITED**

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## **PERFORMANCE OF SUBSIDIARY COMPANY**

MIL Industries and Aerospace Limited is yet to commence its operations and the statement containing the salient feature of the financial statement of Subsidiary Company in Form AOC-1 is annexed.

## **SHARE CAPITAL**

The paid-up Equity Share Capital of the Company was Rs. 315 lakhs as on March 31, 2020. 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, 2020.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the Articles of Association of the Company and the provisions of the Companies Act, 2013, Dr. T Venkatesan, Director of the Company, is liable to retire by rotation at the ensuing AGM and is eligible for re-appointment. Mr. Noman H. Millwala whose term expires at ensuing Annual General Meeting proposed to be appointed as a non-independent director with effect from October 16th, 2020 based on the recommendation of NRC and Board and he shall be liable to retire by rotation in accordance with the provisions of the Companies Act, 2013.

Mr. S.S.R. Rajkumar, who served as a chairman and non-executive Independent director of the company demised on 25.11.2019, during the year. The Board of directors of the Company express their deep condolences to his family and the Directors place on record their deep appreciation for his valuable guidance and assistance received during the tenure.

Mr. K.J. Janakar, Non-Executive Independent Director of the Company was appointed by the shareholders at the Extraordinary General meeting held on 20th February 2020.

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.

## **INDEPENDENT DIRECTORS**

Mr. Noman H. Millwala and Mr. K.J. Janakar are the independent directors of the company as at 31st March 2020.

The Independent Directors of the Company have undertaken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

Independent Directors meeting was held on 21.02.2020 without the attendance of the other directors.

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 and Regulation 16 of the SEBI (LODR) Regulations, 2015 that the Independent Directors of the Company meet the criteria of their Independence laid down in Section 149(6) and the Board confirms that they are independent of the management.

The detailed terms of appointment of IDs is disclosed on the Company's website in the following link:  
[http://www.milindus.com/admin/uploads/investor/MIL\\_Terms%20of%20Appointment%20of%20IDs.pdf](http://www.milindus.com/admin/uploads/investor/MIL_Terms%20of%20Appointment%20of%20IDs.pdf)

## **COMPOSITION OF AUDIT COMMITTEE**

The details of composition of Audit Committee are provided in Corporate Governance Report of this Annual Report. The Board has not rejected any proposal / recommendations of Audit Committee during the year.

## **REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their

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## **MIL INDUSTRIES LIMITED**

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remuneration. The salient features of the Remuneration Policy are stated in the Corporate Governance Report. The Remuneration Policy approved by the Board of Directors is posted on the website of the Company <http://www.milindus.com/investors.php>.

### **POLICY ON VIGIL MECHANISM**

The Company has adopted a Policy on Vigil Mechanism in accordance with the provisions of Act, 2013 and Regulation 22 of Listing Regulations, which provides a formal mechanism for all Directors, Employees and other stakeholders of the Company to report to the management, their genuine concerns or grievances about unethical behaviour, actual or suspected fraud and any violation of the Company's Code of Business Conduct and Ethics.

The Code also provides a direct access to the Chairman of the Audit Committee to make protective disclosures to the management about grievances or violation of the Company's Code.

The Policy is disclosed on the Company's website in the following web link of the company.

<http://www.milindus.com/investors.php>

### **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.

### **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 number of Board meetings held during the financial year 2019-20 is provided as part of Corporate Governance Report prepared in terms of the Listing Regulations.

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.

### **AUDITORS**

#### **Statutory Auditor**

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.

The Company has obtained necessary certificate under Section 141 of the Act, 2013 conveying their eligibility for being the Statutory Auditors of the Company for the year 2020-21.

The Auditors' Report for the financial year 2019-20 does not contain any qualification, reservation or adverse remark and the same is attached with the annual financial statements.

#### **SECRETARIAL AUDITOR**

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.

The observations of the Secretarial Auditor given in his Report which has been disclosed hereunder followed by the explanations given by Board.

## MIL INDUSTRIES LIMITED

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1. In view of sudden demise of an Independent director on 25.11.2019, the audit committee consisted of 2 members. However, the Company has appointed an Independent director and reconstituted the committee on 21.02.2020.
2. In view of sudden demise of an Independent director on 25.11.2019, the nomination & remuneration committee consisted of 2 members. However, the Company has appointed an Independent director and reconstituted the committee on 21.02.2020.

**Explanation:** The Company has appointed the Independent director in terms of Section 149 of the Companies Act, 2013 read with Second proviso of Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (LODR) Regulations, 2015, within the prescribed time of 3 months and reconstituted the committee on 21.02.2020 after the said appointment.

3. The investor grievance for the quarter ended 31.3.2020 was submitted on 25.05.2020. The Company has communicated the reason to the Stock Exchange for submission on 25.05.2020

**Explanation:** Due to the Covid-19 pandemic situation and continuous lock down imposed by the State/ Central Government especially to Redzones like chennai from 25.03.2020 to 24.05.2020, we were not able to file the investor complaints before the due date which fell on 15.05.2020 for the quarter ended 31.03.2020. We filed the investor complaints on May 25, 2020, after the reopening of office and also intimated the reason for not filing to the Stock Exchange in the investor compliance report and communicated through e-mail.

### **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.

#### **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. 14,12,040/-.

### **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	315.04
Foreign Exchange earned	824.86

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## MIL INDUSTRIES LIMITED

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### **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.

### **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.

### **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 SOCIAL RESPONSIBILITY POLICY**

Pursuant to the provisions of section 135 and schedule VII of the Companies Act, 2013, Corporate Social Responsibility (CSR) Committee was formed to recommend (a) the policy on Corporate Social Responsibility (CSR) and (b) implementation of the CSR Projects or Programs to be undertaken by the Company as per CSR Policy for consideration and approval by the Board of Directors.

The policy on Corporate Social Responsibility as approved by the Board is posted on the Company's website <http://www.milindus.com/investors.php>. A detailed Report on CSR activities in the prescribed format is forming part of this Annual Report.

## **ANNUAL PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the Annual Performance Evaluation of the Board, its Committees and of individual directors as prescribed by the Nomination and Remuneration Committee of the Company.

The performance evaluation of the Directors (without participation of the relevant Director) was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process.

## **CORPORATE GOVERNANCE**

The Company has been practicing the principles of good corporate governance and lays strong emphasis on transparency, accountability and integrity.

A separate Section on Corporate Governance and a Certificate from the Practising Company Secretary confirming the compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given as Annexure V to this Report.

## **BUSINESS RESPONSIBILITY REPORT**

In terms of Regulation 34 of Listing Regulations, the Business Responsibility Report is not applicable for the company as company does not fall under the top one thousand listed entities based on market capitalization as at financial year 31st, March 2020.

## **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 48.17 % 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. 2,758.84 Lakhs to 4,314.16 Lakhs. There has been an increase in the turnover of PTFE Division from Rs. 1,353.61 lakhs in the previous year to Rs. 1,779.19 lakhs in the current year.

**(d) Covid-19 Impact**

The Manufacturing facilities and all offices of the Company were closed from March 25, 2020 following the lock down imposed by the Ministry of Home Affairs vide order No. 40-3/2020 dated March 24, 2020 notified the first ever nationwide lockdown in India to contain the virus outbreak. As per State Government instructions, the Company has resumed operations in a phased manner. The Company has evaluated the impact of this Covid-19 pandemic on its business operations and financial position and based on its review, there is no significant impact on its financial results as at 31st March 2020.

**(e) Outlook**

The Company is continuing the business with its existing customer base. The Company is focusing on export market and its foreign customers. Outlook for the current year appears uncertain on account of the COVID-19 pandemic. However, internally the company is constantly reviewing ways and means to reduce costs and manage the situation.

**(f) 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.

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.

**(g) 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.

**(h) Discussion on financial performance with respect to operational performance.**

The revenue from the operations of the company for the financial year 2019-20 has increased by 48.17% 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.

**(i) 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.

## MIL INDUSTRIES LIMITED

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### (j) Key Financial Ratios

S. No.	Particulars	UOM	March 31, 2020	March 31, 2019	Remarks
1	Current Ratio	-	3.56	3.24	Higher due to reduction in current liabilities.
2	Debt Equity ratio	-	0.31	0.36	Lower due to repayment of borrowings
3	Interest Coverage ratio	Times	40.51	21.06	Higher due to increase in earnings.
4	Inventory Turnover	Times	6.17	5.14	Higher due to increase in sales
5	Operating profit margin	%	13.23	14.06	Lower due to increase in cost.
6	Net profit margin	%	12.38	10.96	Higher due to increase in sales.
7	Return on Network	%	21.23	15.88	Increase due to improved profitability.
8	Debtors Turnover Ratio	Times	6.52	4.93	Higher due to increase in turnover

### (k) Reporting of fraud

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act, 2013.

### (l) Secretarial Standards

The Company has complied with the applicable Secretarial Standards as amended from time to time.

### DISCLOSURE OF ACCOUNTING TREATMENT:

Pursuant to the notification, issued by the Ministry of Corporate Affairs dated February 16, 2015 relating to the Companies (Indian Accounting Standards) Rules, 2015, the Company has adopted "IND AS" with effect from 1st April 2018. Accordingly, the financial statements for the year 2019-20 have been prepared in compliance with the said Rules.

### 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.

By Order of the Board

Noman H. Millwala  
Chairman

Place : Chennai  
Date : 10<sup>th</sup> September, 2020

**Annexure - I to Directors' Report**

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31/03/2020

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

**I. REGISTRATION AND OTHER DETAILS:**

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: <a href="mailto:mil@milindustries.com">mil@milindustries.com</a> Website: <a href="http://www.milindus.com">www.milindus.com</a>
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: <a href="mailto:corpserv@integratedindia.in">corpserv@integratedindia.in</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

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	70.8
2	Manufacture of PTFE Lined Pipes and Fittings and PTFE Products	22209	29.2

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

Sl. No.	Name of the Company	Address of the Company	CIN / GLN	Holding/ Subsidiary & Associate	% shares held	Applicable Section of the Companies Act, 2013
1.	MIL Industries and Aerospace Limited	25A, SIDCO Industrial Estate, Ambattur, Chennai-60098.	U74999TN2018PLC122159	Subsidiary	100	Section 2 (87)

# 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-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	7,85,060	-	7,85,060	24.92	7,85,060	-	7,85,060	24.92	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	12,02,000	-	12,02,000	38.16	12,02,000	-	12,02,000	38.16	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Subtotal (A) (1)</b>	<b>19,87,060</b>	<b>-</b>	<b>19,87,060</b>	<b>63.08</b>	<b>19,87,060</b>	<b>-</b>	<b>19,87,060</b>	<b>63.08</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRI – Individuals	-	-	-	-	-	-	-	-	-
b) other-individuals	-	-	-	-	-	-	-	-	-
c) Bodies corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Subtotal (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>19,87,060</b>	<b>-</b>	<b>19,87,060</b>	<b>63.08</b>	<b>19,87,060</b>	<b>-</b>	<b>19,87,060</b>	<b>63.08</b>	<b>0.22</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Cos.	43,750	-	43,750	1.39	43,750	-	43,750	1.39	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>43,750</b>	<b>-</b>	<b>43,750</b>	<b>1.39</b>	<b>43,750</b>	<b>-</b>	<b>43,750</b>	<b>1.39</b>	<b>-</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	11,900	2,98,000	3,09,900	9.85	16,950	2,98,000	3,14,950	10.00	0.15
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,33,690	2,20,555	3,54,245	11.24	1,56,940	2,00,705	3,57,645	11.35	0.11
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3,01,445	-	3,01,445	9.57	2,92,995	-	2,92,995	9.30	(0.27)
c) Others									
i) NRIs	600	1,18,000	1,18,600	3.76	5600	1,13,000	1,18,600	3.77	-
ii) NBFCs Registered with SEBI	35,000	-	35,000	1.11	35,000	-	35,000	1.11	-
<b>Sub-total (B)(2):-</b>	<b>4,82,635</b>	<b>6,36,555</b>	<b>11,19,190</b>	<b>35.53</b>	<b>5,07,485</b>	<b>6,11,705</b>	<b>11,19,190</b>	<b>35.53</b>	<b>(0.01)</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>5,26,385</b>	<b>6,36,555</b>	<b>11,62,940</b>	<b>36.92</b>	<b>5,26,385</b>	<b>6,11,705</b>	<b>11,62,940</b>	<b>36.92</b>	<b>(0.01)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>(1) Promoter Group</b>	-	-	-	-	-	-	-	-	-
<b>(2) Public</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>25,13,445</b>	<b>6,36,555</b>	<b>31,50,000</b>	<b>100.00</b>	<b>25,38,295</b>	<b>6,11,705</b>	<b>31,50,000</b>	<b>100.00</b>	<b>0.00</b>



## MIL INDUSTRIES LIMITED

### 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	1,30,000	4.13	-	1,30,000	4.13	-	-
2	Krebs Engineering Private Limited	9,62,000	30.54	-	9,62,000	30.54	-	-
3	Milgerlan Engineering And Construction Private Limited	1,10,000	3.49	-	1,10,000	3.49	-	-
4	Indrani Sivaraja Iyer	10,800	0.34	-	10,800	0.34	-	-
5	Ramesh Raman	99,295	3.15	-	99,295	3.15	-	-
6	Sangameswaran. D	10,000	0.32	-	10,000	0.32	-	-
7	Rajiv Sreedhar	4,650	0.15	-	4,650	0.15	-	-
8	Radha Ramakrishnan	21,050	0.67	-	21,050	0.67	-	-
9	Ramila Sreedhar	1,35,095	4.29	-	1,35,095	4.29	-	-
10	Raghu Raman	1,12,675	3.58	-	1,12,675	3.58	-	-
11	Saroja Raman	3,15,295	10.01	-	3,15,295	10.01	-	-
12	*C Venkatesan	5,450	0.17	-	-	-	-	(0.17)
13	Vimala Venkatesan	400	0.01	-	5,850	0.18	-	0.17
14	Rashmi Raman	27,050	0.86	-	27,050	0.86	-	-
15	Malathi Raman	43,300	1.37	-	43,300	1.37	-	-

\* 5450 Shares were transmitted to Mrs. Vimala Venkatesan

### 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	19,87,060	63.08	19,87,060	63.08

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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	1,90,085	6.03	1,90,085	6.03
2	M/s. Tamilnadu Industrial Investment Corp Ltd.	1,68,000	5.33	1,68,000	5.33
3	Mr. Pishu W. Uttamchandani	50,000	1.59	50,000	1.59
4	M/s. 21st Century Management Services	50,000	1.59	50,000	1.59
5	M/s. Sterling Holiday Financial Services Ltd.	49,000	1.56	49,000	1.56
6	M/s. United India Insurance Co. Ltd.	43,750	1.39	43,750	1.39
7	M/s. ICICI Securities Primary Services Ltd.	35,000	1.11	35,000	1.11
8	M/s. Agrasen Finance P Ltd.	31,000	0.98	31,000	0.98
9	Mr. M.A.A. Annamalai	25,000	0.79	25,000	0.79
10	Mrs. R. Gomathy	22,210	0.71	22,210	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	4,650	0.15	4,650	0.15
2.	Mrs. Saroja Raman	3,15,295	10.01	3,15,295	10.01
3.	Mr. S.S.R. Rajkumar	20,800	0.66	20,800	0.66
4.	Mr. Noman H. Millwala	3,750	0.12	3,750	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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
* Addition	68,28,348	-	-	68,28,348
* Reduction	-	-	-	-
<b>Net Change</b>	68,28,348	-	-	68,28,348
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	68,28,348	-	-	68,28,348
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	68,28,348	-	-	68,28,348

## 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	83,80,000	83,80,000
	(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)	83,80,000	83,80,000
	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.

## MIL INDUSTRIES LIMITED

### 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	65,000	85,000	-	-	1,50,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>65,000</b>	<b>85,000</b>	-	-	<b>1,50,000</b>
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	50,000	50,000	1,00,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>			<b>50,000</b>	<b>50,000</b>	<b>1,50,000</b>
	<b>Total (B)=(1+2)</b>	<b>65,000</b>	<b>85,000</b>	<b>50,000</b>	<b>50,000</b>	<b>2,50,000</b>
	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	-	6,50,000	14,30,000	20,80,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	-	<b>6,50,000</b>	<b>14,30,000</b>	<b>20,80,000</b>

### 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]*

- a) The ratio of the remuneration of each director to the median employee's remuneration for the financial year and such other details: Except Mr. Rajiv Sreedhar, Managing Director of the Company, no other director was in receipt of remuneration except sitting fees.

Name	Designation	Ratio
Mr. Rajiv Sreedhar	Managing Director	1:17.93

- b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

S. No.	Name	Designation	% of increase
1	Mr. Rajiv Sreedhar	Managing Director	37.77%
2	Mr. V.P.K Mani	Company Secretary	8.33%
3	Mr. Guruswamy	Chief Financial officer	19.17%

- The median remuneration of employees of the Company for the Financial Year was Rs. 4,67,500.
- There was an increase of 5.77% in the median remuneration of employees in the Financial Year.
- There were 71 permanent employees on the rolls of the Company as on 31st March, 2020.
- Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2019-20 was 10.93% and whereas the managerial remuneration also increased by 32.69%% (from Rs. 78,82,810 in 2018-19 to Rs. 1,04,60,000 in 2019-20).
- 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:**

**Details of top ten employees in terms of remuneration drawn during the year:**

Sl. No.	Name of Employee	Designation	Remuneration in lakhs	Nature of Employment	Qualification	Experience (Years)	Date of employment commencement	Age	Previous Employment
1	N Javanthieswaran	D.P	30.8	Contractual	BE	49	01.07.1971	73	NIL
2	Shah Sandeep	AGM -	19.3	Regular	BE	28	16.05.1997	50	BDK Marketing Service Pvt. Ltd.
3	S Baskar	GM - Mktg.	18.7	Regular	DME	32	04.11.1994	52	Lebracs
4	S Natarajan	VPO	17.6	Contractual	DME	50	04.05.1970	74	NIL
5	Saravanan Sundaram	Mgmt. Executive	15.9	Regular	DME	21	01.02.2019	43	Ford/BMW
6	Govindaraju R	AGM- EPP	15.4	Regular	DME	37	08.12.1989	58	Auro Engineering
7	S V Gopalakrishnan	VPW	13.7	Contractual	DEE	51	01.02.1969	73	NIL
8	V Dilli	GM - Projects	13.3	Contractual	DME	35	07.01.1985	67	NIL
9	M Lakshmanan	DGM-Purchase	10.4	Contractual	DME	38	01.11.1982	62	NIL
10	A Ponnuswamy	AGM - Production	9.8	Regular	DME	34	24.04.1989	55	Kumar Industries

Note: The Top Ten Employees do not include Key Managerial Personnel as their Remuneration details are shown separately in the Board's Report.

**ANNEXURE-III CORPORATE GOVERNANCE REPORT****THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

The Company believes in ensuring corporate fairness, transparency, professionalism and accountability in total functioning of the Company, which are pre-requisites for attaining sustainable growth in this competitive corporate world. Obeying the law, both in letter and in spirit, is the foundation on which the Company's ethical standards are built. The Company would constantly endeavor to improve on these aspects. The Code lays strong emphasis on transparency, accountability, community engagement and quick business decisions.

The Company has norms in line with the provisions of the Companies Act, 2013 and has ensured effective Corporate Governance practices and timely disclosure of information to the Members.

**BOARD OF DIRECTORS**

The Board of Directors (the Board), which consists of persons with considerable professional expertise and experience, provides leadership and guidance to the management, thereby enhancing stakeholders' value.

**Composition and Category of Directors:**

The Board has sought to balance its composition and tenure, and that of its Committees and to refresh them gradually from time to time so that they can benefited from the experience of longer serving Directors, and the fresh external perspectives and insights from newer appointees.

As on 31st March 2020, the total strength of the board was five. Mr. Noman H. Millwala, is a chairman and Non-executive independent director of the company (NE-ID). Therefore, one third of its directors shall comprise of independent directors in terms of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

During the year, Mr. S.S.R. Rajkumar, an Independent Director of the Company deceased on 25th November 2019, after a brief illness.

The Board has managing director Mr. Rajiv Sreedhar and four non-executive directors viz., Mr. Noman H. Millwala, chairman, Mrs. Saroja Raman (woman director), Dr. T. Venkatesan, Mr. K.J. Janakar.

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

Sl. No.	Name of Director	DIN	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM
1	Mr. Rajiv Sreedhar	00181532	Non-Independent Managing Director	9	Yes
2	Mr. S.S.R. Rajkumar*	00317801	Independent Non-Executive Director	5	Yes
3	Mr. Noman H. Millwala	00471544	Independent Non-Executive Director	9	Yes
4	Mrs. Saroja Raman	00481687	Non-Independent Non-Executive Director	9	Yes
5	Dr. T. Venkatesan	01793232	Non-Independent Non-Executive Director	9	Yes
6	Mr. K.J. Janakar	00644460	Independent Non-Executive Director	1	No

\* Mr. S.S.R. Rajkumar demised during the year on 25.11.2019.

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The Board of Directors met nine times during the year on 30.05.2019, 18.07.2019, 14.08.2019, 28.08.2019, 11.11.2019, 02.12.2019, 14.01.2020, 12.02.2020, 21.02.2020.

Other directorships and committee memberships / chairmanships as on 31st March 2020 are as follows:

Sl. No.	Name of Director	Category of Directorship	Number of other directorships, committee memberships / chairmanships		
			other directorships	Committee memberships	Committee Chairmanships
1	Mr. Rajiv Sreedhar (DIN: 00181532)	Non-Independent Managing Director	1	-	-
2	Mr. Noman H. Millwala (DIN: 00471544)	Independent Non-Executive Director	2	-	-
3	Mrs. Saroja Raman (DIN: 00481687)	Non-Independent Non-Executive Director	3	-	-
4	Dr. T. Venkatesan (DIN: 01793232)	Non-Independent Non-Executive Director	1	-	-
5	Mr. K.J. Janakar (DIN: 00644460)	Independent Non-Executive Director	1	-	-

### Note:

The other directorships given above includes private companies or unlisted public companies, hence the name of the company was not given in this report, as only listed entities name were required to be given as per the SEBI (LODR) Regulations 2015.

### Relationship between Directors

None of the Directors has any family relationships between them except Mr. Rajiv Sreedhar, who is related to Mrs. Saroja Raman.

### Shareholding of non-executive Directors in the company

Sl. No.	Shareholding of non-executive director	Shareholding as on 31st March, 2020	
		No. of shares	% of Equity Share Capital
1.	Mrs. Saroja Raman	3,15,295	10.01
2.	Mr. Noman H. Millwala	3,750	0.12
3.	Dr. T. Venkatesan	500	0.02
4.	Mr. K.J. Janakar	-	-

### Familiarization program:

Familiarization program is made available to the Directors covering such topics on Board's role, Board's composition and conduct, Board's risks and responsibilities, to ensure that they are fully informed on current governance issues.

The program also includes briefings on the culture, values and business model of the Company, the roles and responsibilities of senior executives and the Company's financial, strategic, operational and risk management position.

The induction process for NE-IDs includes plant visit for detailed understanding of manufacturing process / activities. The details of familiarization program are available on the Company's website.

## MIL INDUSTRIES LIMITED

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### Principal / core skills / expertise / competence of the Board of Directors:

While evaluating the Board as a whole, it was ensured that the existing Board members have relevant core skills/ expertise/competencies as required in the context of its business (es) and sector(s) to function effectively.

### Professional Background & Skills / expertise / competency of Directors:

Name of the Directors	Brief description about the Directors
Mr. Rajiv Sreedhar	Mr. Rajiv Sreedhar has done his B.Tech (Chemical Engineering) from I.I.T. Madras and M.Sc. (Adv. Chem. Engineering) from Manchester University. He has overall 40 years working experience in Industries in Managerial level.  Worked at various organisations in UK & USA, for a total of 13 years including Esso Petroleum, UK as Head of Process Department, and as an Oil Production Consultant, prior to joining the MIL Group. He was appointed as Managing Director of MIL in 1999. Currently, he is in-charge of overall operations of the Company.
Mrs. Saroja Raman	Mrs. Saroja Raman is wife of late R.K. Raman, founder of MIL Industries Limited. She served as a non-executive director and was re-appointed on 16.09.2019 as a non-executive liable to retire by rotation. Associated with MIL since year 1998, having vast experience on the board, have contributed for effective functioning of the board and General Management.
Mr. Noman H. Millwala	Mr. Noman H. Millwala, is a non-executive Independent director and chairman of the company, having qualifications of B.A.B.L., P.G. Dip. in Tax. He is having vast experience in business and knowledge in Taxation. He holds Directorship in the following companies: 1. Fermier Engineers Private Limited. 2. AHT Holdings Private Limited
Dr. T. Venkatesan	Dr. T. Venkatesan, is having the qualification of M.B.B.S., F.C.C.P and serve as a non-executive director of the company since 2007. He has been associated with the Board since 2007 contributing to the effective functioning of the Management.
Mr. K.J. Janakar	Mr. K.J. Janakar (DIN: 00644460), is a Non-Executive Independent director of the company and he holds a degree in B.Sc., B.Sc. (TECH), F.P.R.I (London) and has more than 30 years experience in the Rubber and Rubber chemicals Industry. He has a vast experience in Rubber field and is a gold medalist in B.Sc., Tech of Plastics & Rubber from Bombay University. He has presented a paper on Status of the Indian Rubber Industry across the globe and served as Independent Director for two terms with EIGI Treads Ltd.

Considering the skills, expertise and competencies required for effective functioning and discharge of Board's duties, your Board is satisfied with the present composition of the Board of Directors. In the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

### CODE OF BUSINESS CONDUCT AND ETHICS FOR MEMBERS OF THE BOARD AND SENIOR MANAGEMENT PERSONNEL

The Company has in place a Code of Business Conduct and Ethics for Members of the Board and Senior Management Personnel (the Code) approved by the Board.

The Code has also been displayed on the Company's website in the link

[http://www.milindus.com/admin/uploads/investor/Code%20of%20conduct\\_MIL.pdf](http://www.milindus.com/admin/uploads/investor/Code%20of%20conduct_MIL.pdf)

### AUDIT COMMITTEE

#### Brief description of terms of reference:

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal control and financial reporting process and inter alia performs the following functions:

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## MIL INDUSTRIES LIMITED

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- a. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommending the appointment, remuneration and terms of appointment of auditors of the Company;
- c. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement in terms of clause (c) of sub-section (3) of Section 134 of the Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions; and
  - Modified opinion, if any, in the draft audit report.
- d. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- e. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- f. Approving or subsequently modifying any transactions of the Company with related parties;
- g. Scrutinizing the inter-corporate loans and investments;
- h. Reviewing the valuation of undertakings or assets of the Company, wherever it is necessary;

### **Composition, name of members and chairman:**

In addition, reviewing of such other functions as envisaged under Section 177 of the Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 as amended and Regulation 18 of the Listing Regulations.

Audit Committee is constituted during the year in accordance with the provisions of Section 177 of the Companies Act, 2013 and comprises of Mr. Noman H. Millwala, Chairman, Mr. Rajiv Sreedhar and Mr. K.J. Janakar are as members.

### **Meetings and attendance during the year**

Date of the meetings	Attendance of the Members
30.05.2019	Mr. S.S.R.Rajkumar, Mr. Rajiv Sreedhar, Mr. Noman H. Millwala
18.07.2019	Mr. S.S.R.Rajkumar, Mr. Rajiv Sreedhar, Mr. Noman H. Millwala
14.08.2019	Mr. S.S.R.Rajkumar, Mr. Rajiv Sreedhar, Mr. Noman H. Millwala
11.11.2019	Mr. S.S.R.Rajkumar, Mr. Rajiv Sreedhar, Mr. Noman H. Millwala
02.12.2019	Mr. Noman H. Millwala, Mr. Rajiv Sreedhar*
12.02.2020	Mr. Noman H. Millwala, Mr. Rajiv Sreedhar*

\* Consequent to the sudden demise of Mr. S.S.R. Rajkumar on 25.11.2019, there was a shortfall in the composition of the committee till the appointment of New Independent Director i.e. Mr. K.J. Janakar vide EGM held on 21.02.2020.

## MIL INDUSTRIES LIMITED

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Later, as approved by the board on 21.02.2020, the committee reconstituted as per the provisions of the Companies Act, 2013, with the following members: Mr. Noman H. Millwala, Chairman, Mr. Rajiv Sreedhar and Mr. K.J. Janakar are as members.

### NOMINATION AND REMUNERATION COMMITTEE

#### Brief description of terms of reference:

- Guiding the Board for laying down the terms and conditions in relation to the appointment and removal of Director(s), Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) of the Company.
- Evaluating the performance of the Director(s) and providing necessary report to the Board for its further evaluation and consideration.
- Recommending to the Board on remuneration payable to the Director(s), KMP and SMP of the Company based on (i) the Company's structure and financial performance and (ii) remuneration trends and practices that prevail in peer companies across the automobile industry.
- Retaining, motivating and promoting talent amongst the employees and ensuring long term sustainability of talented SMP by creation of competitive advantage through a structured talent review.

#### Composition, name of members and chairman:

Nomination and Remuneration committee is constituted three directors in accordance with the provisions of Section 177 of the Companies Act, 2013 and comprises of Mr. K.J. Janakar, Chairman, Mr. Noman H. Millwala, independent director and Dr. T. Venkatesan, non-executive director as members of the committee.

#### Meetings and attendance during the year

During the year under the report, Nomination and Remuneration Committee meeting was held on 30.05.2019, 11.11.2019, 14.01.2020. All the members were present at the meeting. The Nomination and Remuneration Policy has been placed on the website of the Company in the link <http://www.milindus.com/investors.php>.

The particulars of meetings and attendance by the members of the Committee, during the year under review, are given in the table below:

Date of the meetings	Attendance of the Members
30.05.2019	Mr. Noman H. Millwala, Mr. S.S.R. Rajkumar and Dr. T. Venkatesan
11.11.2019	Mr. Noman H. Millwala, Mr. S.S.R. Rajkumar and Dr. T. Venkatesan
14.01.2020	Mr. Noman H. Millwala and Dr. T. Venkatesan*

\* Consequent to the sudden demise of Mr. S.S.R. Rajkumar on 25.11.2019, there was a shortfall in the composition of the committee till the appointment of New Independent Director i.e. Mr. K.J. Janakar vide EGM held on 21.02.2020.

#### Evaluation Criteria:

NRC laid down the criteria for evaluating the performance of every Director, Committees of the Board and the Board as a whole and also the performance of KMP and Senior Management Personnel.

The performance evaluation of the Board as a whole was assessed based on the criteria like its composition, size, mix of skills and experience, its meeting sequence, effectiveness of discussion, decision making, follow-up action, quality of information, governance issues, performance and reporting by committee set up by the Board.

The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Director(s) of the quality required to run the Company successfully;

## REMUNERATION TO DIRECTORS

### Executive Directors:

The shareholders at the EGM held on 18th July, 2019 approved the re-appointment of Mr. Rajiv Sreedhar, Managing Director, for a term of five years with effect from 1st September, 2019 and he will be paid a monthly remuneration of Rs.7.00 lakhs (Rupees Seven lakhs only) (in the form of Salary and/or House Rent Allowance as may be decided by him) and Leave Encashment as per the rules of the Company during the period commencing from 1st September, 2019 to 31st August, 2022.

The remuneration payable to Managing Director is fixed by the Board and is within the limits approved by the shareholders in terms of the relevant provisions of the Act, 2013.

### Non-Executive Directors:

Sitting fees Rs. 5,000/- each is paid to the NE-NIDs & NE-IDs for every meeting of the Board and / or Committee thereof attended by them, which is within the limits, prescribed under the Act, 2013. Sitting fees paid to directors during the year is also disclosed in the financial statement.

Presently, the Company does not have a scheme for grant of stock options either to the Directors or the Employees of the Company.

## STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC)

Stakeholders Relationship Committee is constituted with Mr. Noman H. Millwala, Chairman Mr. Rajiv Sreedhar, and Dr. T. Venkatesan as members as on 31.03.2020. Mr. S.S.R. Rajkumar was the chairman of the committee at the Annual General Meeting held on 16th September 2019 and he demised on 25.11.2019. Later the committee was reconstituted on 2nd December 2019 and appointed Mr. Noman H. Millwala as the chairman of the committee. Since then, he is continuing as the chairman of the committee.

Mr. V.P.K. Mani, Company Secretary was the Compliance Officer of the Company during the year for overseeing the redressal of investor grievances. Corporate Governance provisions were applicable for the company for the financial year 2019-20 as networth exceeded 25 crores as per the audited financials 2018-19. Accordingly the company has constituted the committee on 14.08.2019, as per the requirement of SEBI (LODR) Regulations, 2015, within six months from the date on which the provisions became applicable to the company. Also company has filed periodically Corporate Governance Report with the Stock Exchange.

The particulars of meetings and attendance by the members of the Committee, during the year under review, are given in the table below:

Date of the meetings	Attendance of the Members
14.08.2019	Mr. S.S.R.Rajkumar, Mr. Rajiv Sreedhar, Mr. Noman H. Millwala
11.11.2019	Mr. S.S.R.Rajkumar, Mr. Rajiv Sreedhar, Mr. Noman H. Millwala
12.02.2020	Mr. Noman H. Millwala, Mr. Rajiv Sreedhar, Dr. T. Venkatesan

The Company, in order to expedite the process of share transfers delegated the power of share transfers to an officer of the Share Transfer Agent (STA). The Company, as a matter of policy, disposes of investors' complaints within a span of seven days. The company has received no complaints during the year 2019-20 and no complaints were pending at the year end.

All requests for dematerialization of shares were carried out within the stipulated time period and no request for dematerializing the share certificates was pending as on 31st March, 2020.

## CSR COMMITTEE

CSR Committee is constituted with Mr. Noman H. Millwala, chairman, Mrs. Saroja Raman, and Mr. Rajiv Sreedhar as Members.

## MIL INDUSTRIES LIMITED

The Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy), indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities. The CSR Policy is provided in the Corporate Governance Report.

During the financial year 2019-20, the company was required to spend Rs. 9,20,894/- as per Section 135 of the Companies Act, 2013 towards Corporate Social Responsibility being 2% of the average net profits for the immediately preceding three financial years. In compliance with this requirement, the company has actually spent Rs, 921,000/- during the financial year 2019-20. Brief particulars of the CSR projects undertaken are given in Annexure IV, forming part of the Board's Report.

The particulars of meetings and attendance by the members of the Committee, during the year under review, are given in the table below:

Date of the meetings	Attendance of the Members
11.11.2019	Mr. S.S.R. Rajkumar, Mrs. Saroja Raman, Mr. Rajiv Sreedhar
12.02.2020	Mr.Noman H. Millwala, Mrs. Saroja Raman, Mr. Rajiv Sreedhar

### SCHEME OF ARRANGEMENT

The Board of the Company at its Meeting held on 2nd December, 2019 has considered and approved the Scheme of Arrangement ("the Scheme") through Demerger between the Company and MIL Industries and Aerospace Limited (Wholly Owned Subsidiary) and their respective shareholders, creditors under Section 230 to 232 and any other applicable provisions of Companies Act, 2013 on a going concern basis as on the appointed date as per the scheme to demerge the PTFE Business of the Company into MIL Industries and Aerospace Limited . The Scheme is subject to the approval(s) of requisite authorities.

### Reconciliation of Share Capital Audit:

A Practicing Company Secretary carries out Reconciliation of Share Capital (RSC) Audit on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The reports are being regularly placed before the board for its perusal.

### General body meeting:

#### Location and time where AGMs were held during the last three years:

Year	Venue of the meeting	Date	Time
2016-17	25A, SIDCO Industrial Estate, Ambattur, Chennai- 600098.	25.09.2017	4.30 p.m.
2017-18		24.09.2018	4.30 p.m.
2018-19		16.09.2019	4.30 p.m.

### Special resolutions passed in the previous three AGMs:

Year	Subject Matter of resolution:	Date
2016-17	NIL	25.09.2017
2017-18	<ul style="list-style-type: none"><li>Appointment of Mr. S.S.R. Rajkumar (DIN 00317801) as an Independent Director of the Company.</li><li>Appointment of Mr. Noman H. Millwala (DIN 00471544) as an Independent Director of the Company.</li></ul>	24.09.2018
2018-19	NIL	16.09.2019

## MIL INDUSTRIES LIMITED

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### Postal Ballot:

The Board sought the consent of shareholders of the Company by way of special resolution through Postal Ballot as per the notice issued to the shareholders on 11th November 2019

The result of the Postal Ballot is given below.

Agenda Item	Percentage / No. of votes cast in favour	Percentage / No. of votes cast against
Approving the continuation of Mrs. Saroja Raman as a non-executive director of the company	(2016005) 100%	–
Approving the Continuation of Mr. S.S.R Rajkumar as an independent director of the company	(2016005) 100%	–
Approving the continuation of Dr T Venkatesan as a non-executive director of the company.	(2016005) 100%	–

The special resolution was passed by the shareholders of the Company with requisite majority.

### Person who conducted the Postal Ballot exercise:

Pankaj Mehta, Partner, M/s. A.K. Jain & Associates., Company Secretaries, was appointed as the Scrutinizer for conducting the postal ballot and e-voting.

### Procedure for Postal Ballot:

1.	Date of Completion of dispatch of Notice	20.11.2019
2.	Cut-off date for determining the eligibility for voting	15.11.2019
3.	Date of Commencement for voting through Postal Ballot/ e-voting	21.11. 2019 (9.00 a.m. IST)
4.	Last date for receipt of Postal Ballot Form/ e-voting	20.12.2019 (5.00 p.m. IST)
5.	Day, date and time and venue of declaration of results and website where such results will be displayed	Saturday, 21.12.2019, at 4.00 p.m. at Registered Office of the Company, at No.25A, SIDCO Industrial Estate, Ambattur, Chennai- 600098. <a href="http://www.milindus.com">www.milindus.com</a>

### Means of communication to shareholders

The Board believes that effective communication of information is an essential component of corporate governance. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual report, Company's website and specific communications to Stock Exchanges, where the shares of the company is listed.

### Quarterly results:

The unaudited quarterly financial results of the Company were published in English and Regional newspapers.

### Newspapers wherein results are normally published:

We published in Makkal Kural, Trinity Mirror, Newstoday and Malaisudar during the year.

### Website:

The Company has in place a website [www.milindus.com](http://www.milindus.com) This website contains the basic information about the Company, viz., details of its business, financial information, shareholding pattern, compliance with

## MIL INDUSTRIES LIMITED

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corporate governance, contact information of the designated officials of the Company, who are responsible for assisting and handling investor grievances, such other details as may be required under Regulation 46 of the Listing Regulations. The Company ensures that the contents of this website are periodically updated.

### General shareholder information:

#### a) Annual General Meeting

<b>Day, Date and Time</b>	Thursday, 15th October 2020, 11.30 A.M.
<b>Venue</b>	The Annual General meeting will be held through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”). The Registered office i.e. 25A, SIDCO Industrial Estate, Ambattur, Chennai – 600 098 shall be deemed to be venue of the meeting.

#### b) Financial Calendar of the Company

The Financial year covers the period from 1st April to 31st March.

Results for Quarter ending 30th June, 2020	First fortnight of August, 2020
Results for Quarter ending 30th September, 2020	First fortnight of November, 2020
Results for Quarter ending 31st December, 2020	First fortnight of February, 2021
Results for Quarter ending 31st March, 2021	Last Week of May, 2021

#### c) Particulars of dividend payment:

Particulars of dividend declaration / payment are disclosed in the Directors' Report. Dividends were declared in compliance with the Companies Act, 2013.

#### d) Listing and fee details:

<b>Listed on Stock Exchange</b>	Metropolitan Stock Exchange of India Limited,
<b>Address</b>	Vibgyor Towers, 4th floor, Plot No C 62, G -Block, Opp. Trident Hotel, Bandra Kurla Complex, Bandra (E), Mumbai – 400 098, India.
<b>Symbol</b>	MILIND
<b>ISIN allotted by Depositories</b>	INE651L01019

(Note: Annual listing fees and custodial charges for the year 2019-20 were duly paid to the above Stock Exchange and Depositories)

#### e) Market Price Data:

As the Company's shares are not actively traded, details of historical share price, share price movement etc. are not reported.

#### f) Share Transfer Agents and Share Transfer System

MIL has appointed Integrated Registry Management Services Private Ltd. as Registrar & Share transfer Agent (RTA) with a view to rendering prompt and efficient service to the investors and in compliance with Regulation 7 of the Listing Regulations. The shareholders have also been advised about this appointment of RTA.

Shares lodged for transfers are normally processed within 15 days from the date of lodgement, if the documents are clear in all respects.

## MIL INDUSTRIES LIMITED

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All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days.

Certificates are being obtained and submitted to the Stock Exchanges, on half-yearly basis, from a company secretary-in-practice towards due compliance of share transfer formalities by the Company within the due dates, in terms of Regulation 40(9) of the Listing Regulations.

g) **Distribution of Shareholding as on 31st March 2020:**

Shareholding (Range)	No. of members	%	No. of Shares	%
Upto 5000	552	93.9	3,82,495	12.14
5001 to 10000	10	1.7	70,700	2.24
10001 to 20000	6	1.0	81,200	2.58
20001 to 30000	4	0.7	91,110	2.89
30001 to 40000	2	0.3	66,000	2.10
40001 to 50000	5	0.9	2,36,050	7.49
50001 to 100000	1	0.2	99,295	3.15
100001 & Above	8	1.4	21,23,150	67.40
<b>Total</b>	<b>588</b>	<b>100</b>	<b>31,50,000</b>	<b>100</b>

h) **Dematerialization of shares and liquidity:**

The promoter holding consisting of **1987060** Equity Shares of Rs. 10/- each is in dematerialized form. Out of 3150000 Equity Shares of Rs.10/- each held by persons other than promoters 5,51,235 Equity Shares have been dematerialized as on 31st March 2020 accounting for 80.58 %.

*Equity Shares of the Company is not actively traded on MSEI stock exchange.*

i) **Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity:** Not Applicable

j) **Shareholder rights:**

The half-yearly results of the Company are published in newspapers as soon as they are approved by the Board and are also uploaded on the Company's website namely [www.milindus.com](http://www.milindus.com) the results are not sent to the shareholders individually.

k) **Audit qualifications:**

The financial statements of the Company are unmodified.

l) **Reporting of internal auditor:**

The internal auditor is regularly reporting his observations directly to the audit committee.

m) **Foreign Exchange Risk and hedging activities**

Presently the Company has not taken any forward cover for exporting any of its export products.

## MIL INDUSTRIES LIMITED

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n) **Plant Locations:**

**Unit-I**

Plot No. 25A, SIDCO Industrial Estate, Ambattur Chennai - 600 098.

**Unit-II**

Plot No. F- 65, SIPCOT Industrial Complex Gummidipoondi - 601 201.

o) **Address for Correspondence**

The Company Secretary and Compliance Officer

Mr. U. VISWANATH

Company Secretary

MIL Industries Limited

25A Industrial Estate

Ambattur Chennai – 600 098

Email : [secretarial@milindustries.com](mailto:secretarial@milindustries.com)

Tel: +91 44 2625 8382;

p) **Credit Rating and revision thereto**

India Ratings & Research Private Limited (A Fitch Group Company) a credit rating agency has rated the following facilities which are availed from bank as given below:

Sl. No.	Facility	Amount (Rs. in Lakhs)	Rating
i)	Cash Credit	220.00	IND BB+ / Stable
ii)	Non-Fund based limits	650.00	IND A4+
	<b>Total</b>	<b>870.00</b>	

**Other Disclosures:**

**Disclosures on materially significant related party transactions that may have potential conflict with the interests of Issuer at large.**

None of the related party transactions was in potential conflict with the interest of the Company at large. Shareholders can refer to the details of Related Party Transactions as set out in Note 34 of the Financial Statements.

**Details of non-compliance by the Issuer, penalties, and strictures imposed on the Issuer by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last two years. (As listed with MSEI from February 6, 2018)**

The Company has complied with all the laws relating to Capital Markets; hence there is no non compliance by the Company in this regard. No penalties / strictures have been imposed by Stock Exchange or SEBI or any statutory authority relating to capital markets during the last two years.

**Disclosure in respect of equity shares transferred in the Company's unclaimed suspense account:**

NIL

**POLICY ON VIGIL MECHANISM**

The Company has adopted a Policy on Vigil Mechanism in accordance with the provisions of Act, 2013 and Regulation 22 of Listing Regulations, which provides a formal mechanism for all Directors, Employees and other stakeholders of the Company to report to the management, their genuine concerns or grievances



## **MIL INDUSTRIES LIMITED**

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about unethical behavior, actual or suspected fraud and any violation of the Company's Code of Business Conduct and Ethics.

The Code also provides a direct access to the Chairman of the Audit Committee to make protective disclosures to the management about grievances or violation of the Company's Code.

The company affirms that no personnel have been denied access to the Audit Committee. Further the Policy is disclosed on the Company's website in the following web link of the company.

<http://www.milindus.com/investors.php>

### **Compliance with Mandatory / Non-mandatory Requirements**

The Company has complied with all applicable mandatory requirements in terms of Regulation 34(3) of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed elsewhere in this report.

### **SUBSIDIARY COMPANY**

The Company has only one wholly owned subsidiary as on 31st March 2020, MIL Industries and Aerospace Limited.

The Audit Committee reviews the financial statements of unlisted subsidiary. The minutes of the board meetings of the said unlisted subsidiary are periodically placed before the Board, wherever applicable.

### **RELATED PARTY TRANSACTION POLICY**

The Board has formulated a policy on related party transactions. The Audit Committee reviews and approves transactions if any, as defined under the Listing Regulations, to ensure that the terms of such RPTs transacted at arm's length and in the ordinary course of business. Copy of the said Policy is available on the Company's website <http://www.milindus.com/investors.php>

### **Certificate from Practicing Company Secretary:**

The Company has received a certificate from the Secretarial Auditor of the Company stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

### **Fees paid to Statutory Auditor on a consolidated basis:**

During the year, the Company has paid Rs.804,000 (including certification) to the Statutory Auditors for all services received by the listed entity and its subsidiary, on a consolidated basis.

**Annexure - IV to Directors' Report to the shareholders**

**Particulars of Corporate Social Responsibility activities carried out by the Company in terms of Section 135 of the Companies Act, 2013**

1. A brief outline of the Company's CSR Policy:

The policy of the company is to contribute to the Social, Economic and Environmental Development of the community where it operates as a corporate citizen and undertaking socially useful programmes for the transformation through different participatory and sustainable development of the communities at large by ensuring participation from the community and thereby create value for the nation.

2. Overview of projects or programmes being undertaken:

Focus areas relate to women empowerment, quality education, old age home and health care as detailed below:

***Eradicating Hunger, Poverty & Malnutrition***

- Supplementing nutrition needs of poor and needy through joint initiatives and programmes with local NGOs.

***Preventive Health Care***

- Programme to provide nourishment to kids from underprivileged Sections of the society.
- Promotion of health awareness & immunity building initiatives.

Web-link to the CSR policy and projects or programmes – <http://www.milindus.com/investors.html>

3. The Composition of CSR Committee:

S. No.	Name of the Director (M/s.)	Designation	Status
1.	Mr. Noman H. Millwala	Independent Director	Chairman
2.	Mrs. Saroja Raman	Non-Executive Director	Member
3.	Mr. Rajiv Sreedhar	Managing Director	Member

C. Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR Project or activity identified	Sector in which Project/Trust is covered	Location of the project	Amount Spent on the projects or programs Rs.	Amount spent through implementing agency
1	Education and Eradicating Poverty	Eradicating Poverty and Promoting Education including special education for differently-abled	Mumbai	1,00,000	Blind Organization of India
2	Eradication of Poverty, Healthcare	Eradicating Poverty and Promoting Education including special education for differently-abled	Chennai	5,79,000	Hope Public Charitable Trust
3	Old-Age Homes	Setting up of Old-age homes, daycare centres and such facilities for senior citizens	Chennai	1,00,000	Sri Hari Hara Sudha Seva Samithi
4	Education	Promotion of Education including special education for differently-abled	Chennai	1,42,000	Maithree
<b>Total amount of CSR spent</b>				<b>9,21,000</b>	

## MIL INDUSTRIES LIMITED

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4. Average net profit of the Company for last three financial years. Rs.4,60,44,715
5. Prescribed CSR Expenditure (2% of the amount as in item 5 above) Rs.9,20,894
6. Details of CSR spent during the financial year
- |   |              |
|---|--------------|
| (a) Total amount spent for the financial year | Rs. 9,21,000 |
| Amount unspent, if any                        | NIL          |
7. In case the Company has failed to spend 2% of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.
- N.A

8. Responsibilities statement of CSR Committee:

We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with Company's CSR Policy of the Company.

For and on behalf of the board

Date : 10.09.2020  
Place : Chennai

Noman H. Millwala  
Chairperson of the  
CSR Committee

Rajiv Sreedhar  
Managing Director and  
Member of the CSR Committee

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## COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS

To,

The shareholders of MIL Industries Limited,  
Chennai - 600098.

On the basis of the written declarations received from members of the Board and Senior Management Personnel in terms of the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, it is hereby certified that both the Members of the Board and the Senior Management Personnel of the Company have affirmed compliance with the respective provisions of the Code of Business Conduct and Ethics of the Company as laid down by the Board for the year ended 31st March 2020.

Place : Chennai  
Date : 10.09.2020

Rajiv Sreedhar  
Managing Director

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**Annexure – V - Compliance Certificate on Corporate Governance**

To

The Members,  
M/s. MIL INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by MIL INDUSTRIES LIMITED for the year ended 31 March, 2020 as prescribed in regulation 17 to 27, clauses of regulation 46 and paras C, D and E of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR")

2. We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company
3. In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of LODR except for the following;
  1. *In view of sudden demise of an Independent director on 25.11.2019, the audit committee consisted of 2 members. However, the Company has appointed an Independent director and reconstituted the committee on 21.02.2020.*
  2. *In view of sudden demise of an Independent director on 25.11.2019, the nomination & remuneration committee consisted of 2 members. However, the Company has appointed an Independent director and reconstituted the committee on 21.02.2020.*
  3. *The investor grievance for the quarter ended 31.3.2020 was submitted on 25.05.2020. The Company has communicated the reason to the Stock Exchange for submission on 25.05.2020*
  4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the or effectiveness with which the management has conducted the affairs of the Company

**For A.K JAIN & ASSOCIATES**  
**Company Secretaries**

**PANKAJ MEHTA**  
**M.NO. A2940**  
**C.P.No.10598**

UDIN: A029407B000639269

Place : Chennai  
Date : 28.08.2020

## MIL INDUSTRIES LIMITED

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### CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

(In terms of Regulation 34(3) read with Schedule V Para C(10)(i) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

In pursuance of sub-clause (i) of clause 10 of Part C of Schedule V of The Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) in respect of **MIL INDUSTRIES LIMITED (CIN:L28931TN1986PLC012728)**, We hereby certify that:

On the basis of the written representation/declaration received from the Directors and taken on record by the Board of Directors, as on March 31, 2020, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of Companies, by Securities Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authorities.

**For A.K JAIN & ASSOCIATES**  
**Company Secretaries**

**PANKAJ MEHTA**

**M.NO. A2940**

**C.P.No.10598**

**UDIN: A029407B000607523**

Place : Chennai  
Date : 24.08.2020

**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 accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take 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.

Place : Chennai  
Date : 10.09.2020

Rajiv Sreedhar  
Managing Director

N. Guruswamy  
Chief Financial Officer

**Annexure VI**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2020

[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, 2020, 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, 2020 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) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ; **(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. *In view of sudden demise of an Independent director on 25.11.2019, the audit committee consisted of 2 members. However, the Company has appointed an Independent director and reconstituted the committee on 21.02.2020.*
2. *In view of sudden demise of an Independent director on 25.11.2019, the nomination & remuneration committee consisted of 2 members. However, the Company has appointed an Independent director and reconstituted the committee on 21.02.2020.*
3. *The investor grievance for the quarter ended 31.3.2020 was submitted on 25.05.2020 due to COVID-19. The Company has communicated the reason to the Stock Exchange for submission on 25.05.2020*

### **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. 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.
- (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.
- (d) 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.



## MIL INDUSTRIES LIMITED

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**We further report that** during the year under review, the Company had obtained approval of Members of the Company in the Extra Ordinary General Meeting held on 18.07.2019 for:

- (i) Re-appointment of Mr. Rajiv Sreedhar (DIN 00181532), as the Managing Director of the company with effect from 1<sup>st</sup> September 2019 for a period of 5 years and payment of remuneration for a period of 3 years from 1<sup>st</sup> September 2019, and
- (ii) Continuation of Mr. Rajiv Sreedhar (DIN 00181532), as the Managing Director of the Company upon attaining the age of 70 years.

**We further report that** during the year under review, the Company had obtained approval of Members of the Company by way of postal ballot for:

- (i) Continuation of Mrs. Saroja Raman as a Non-executive director of the Company in accordance with Regulation 17(1A) of The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (ii) Continuation of Mr. S.S.R. Rajkumar as a Non-executive Independent director of the Company in accordance with Regulation 17(1A) of The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (iii) Continuation of Dr. T Venkatesan as a Non-executive director of the Company in accordance with Regulation 17(1A) of The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

**We further report that** during the year under review, the Company had passed resolution for acquisition of shares of M/s. MIL INDUSTRIES AND AEROSPACE LIMITED. In view of this M/s. MIL INDUSTRIES AND AEROSPACE LIMITED became subsidiary of the Company.

**We further report that** during the audit period, there were no instances of:

- (i) Public/Right/Preferential issue of Shares / Debentures/ Sweat Equity, etc.
- (ii) Redemption / Buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013 for disposal of undertaking.
- (iv) Foreign technical collaborations.

**For A.K JAIN & ASSOCIATES  
Company Secretaries**

**PANKAJ MEHTA**

**M.NO. A2940**

**C.P.No.10598**

**UDIN: A029407B000625915**

Place : Chennai  
Date : 27.08.2020

# MIL INDUSTRIES LIMITED

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## 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 31<sup>st</sup> March 2020, and the statement of Profit and Loss, Statement of changes in Equity 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 31<sup>st</sup> March, 2020, 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 <sup>st</sup> March 2020, the Company carries Cash and Cash Equivalents to the extent of Rs.18,50,73,035/- representing 39.77% of the total assets which has been considered as a Key Audit Matter	<ul style="list-style-type: none"><li>• 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.</li><li>• The cash balance has been physically verified at the end of the year.</li><li>• The Bank Reconciliation statements have been verified as at the end of the year.</li><li>• 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.</li><li>• The original confirmation of balances for the outstanding balances with the banks as at the year end have been verified.</li></ul>

<b>Key Audit Matters</b>	<b>Response to Key Audit Matters and Conclusion</b>
<p>As at 31<sup>st</sup> March 2020, the Company carried Inventories to the extent of Rs.8,94,24,120/- which having regard to the value has been considered as a Key Audit Matter</p>	<ul style="list-style-type: none"> <li>• Due to Covid 19 related lockdown, we were not able to physically observe the physical verification of inventory that was carried out by the Management at the year end. Consequently, we have performed alternate procedures to audit the existence and condition of inventory as per the guidelines provided in SA 501 Audit Evidence – Specific considerations for stipulated items, which includes inspection of supporting documentation relating to purchases, production, sales, physical verification performed by the management and such other third party evidences where applicable and have obtained sufficient and appropriate audit evidence.</li> <li>• 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.</li> <li>• 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.</li> <li>• We have also tested the judgment and procedure adopted by the Company for the determination of the realisable value of the inventories.</li> <li>• Based on the above procedures, the determination of the value of inventories by the Management at the end of the year is considered reasonable.</li> </ul>
<p>As at 31<sup>st</sup> March 2020, the Company had Trade Receivables of Rs.9,71,27,504/- which having regard to the value has been considered as a Key Audit Matter</p>	<ul style="list-style-type: none"> <li>• We have verified and tested the design and operating effectiveness of the control with regard to sale of goods and revenue recognition.</li> <li>• 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.</li> <li>• We have also tested the judgment made by the management relating to credit risk and the impairment assessment.</li> <li>• Based on the above procedures, the estimate of credit risk and impairment assessment made by the Management is reasonable.</li> </ul>

**Information other than the Financial Statements and Auditors’ Report thereon**

The Company’s Board of Directors is responsible for the other information in the Annual Report, comprising of the Directors’ Report and its annexures, but does not include the standalone financial statements and our Auditors’ Report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **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 to bear on our independence, and where applicable, related safeguards.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the 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, Statement of changes in Equity 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, 2020 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2020 from being appointed as a Director in terms of Section 164 (2) of the Act.
3. 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".
4. 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

ICAI UDIN No.20020899AAAAGX4965

Chennai

Dated : 29.07.2020

## 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 on the basis of the information and explanations given us and the records produced to us, 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.

## MIL INDUSTRIES LIMITED

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- xi) According to the information and explanations given to us, the managerial remuneration paid/provided in the accounts is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- 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

ICAI UDIN No.20020899AAAAGX4965

Chennai

Dated : 29.07.2020

### **“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 2020 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Chennai  
Dated : 29.07.2020

For S.N.S ASSOCIATES  
Chartered Accountants  
Firm Reg No. 006297S  
S. NAGARAJAN  
Partner  
Membership No. 020899  
ICAI UDIN No.20020899AAAAGX4965

# MIL INDUSTRIES LIMITED

## STANDALONE BALANCE SHEET AS AT 31st MARCH 2020

Rs.

PARTICULARS	Note	As at	As at
		31-03-2020 Audited	31-03-2019 Audited
<b>ASSETS</b>			
<b>Non Current Assets</b>			
i) Property, Plant and Equipment	4	70,992,796	63,655,828
ii) Capital Work in Progress			
iii) Financial Assets			
a) Investments	5	2,078,000	78,000
b) Other Financial Assets	6	1,475,390	1,378,725
iv) Deferred Tax Assets (net)	14	180,903	-
Total Non current Assets	(A)	<u>74,727,089</u>	<u>65,112,553</u>
<b>Current Assets</b>			
Inventories	7	89,424,120	81,569,657
i) Financial Assets			
a) Trade Receivables	8	97,127,504	89,858,478
b) Cash and cash equivalents	9	185,073,035	133,415,305
c) Other financial assets			
ii) Other current assets	10	18,955,481	15,285,155
Total current assets	(B)	<u>390,580,140</u>	<u>320,128,595</u>
<b>Total Assets</b>	(A)+(B)	<u><b>465,307,229</b></u>	<u><b>385,241,148</b></u>
<b>EQUITY AND LIABILITIES</b>			
Equity			
a) Equity Share Capital	11	31,500,000	31,500,000
b) Other Equity			
Reserves and Surplus	12	<u>323,993,699</u>	<u>252,328,811</u>
Total Equity	(C)	<u>355,493,699</u>	<u>283,828,811</u>
<b>LIABILITIES</b>			
<b>Non Current Liabilities</b>			
i) Financial Liabilities			
a) Borrowings	13		-
ii) Deferred tax liabilities	14	-	2,617,542
iii) Other non current liabilities			
Total Non Current Liabilities	(D)	<u>-</u>	<u>2,617,542</u>
<b>Current Liabilities</b>			
i) Financial Liabilities			
a) Borrowings	15	6,828,348	-
b) Trade Payables		43,568,278	55,853,414
c) Other Financial Liabilities	16	41,690,669	30,677,661
ii) Other current liabilities	17	17,726,235	12,263,720
Total Current Liabilities	(E)	<u>109,813,530</u>	<u>98,794,795</u>
<b>Total Equity and Liabilities</b>	(C)+(D)+(E)	<u><b>465,307,229</b></u>	<u><b>385,241,148</b></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

NOMAN H. MILLWALA  
Chairman

RAJIV SREEDHAR  
Managing Director

S. NAGARAJAN  
Partner  
Membership No. 020899

DR. T. VENKATESAN  
Director

K. J. JANAKAR  
Director

SAROJA RAMAN  
Director

Place: Chennai  
Date: 29.07.2020

U. VISWANATH  
Company Secretary

N. GURUSWAMY  
Chief Financial Officer

# MIL INDUSTRIES LIMITED

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2020

Rs.			
PARTICULARS	Note No.	Figures as at the end of the current reporting period 31-03-2020	Figures as at the end of the previous reporting period 31-03-2019
<b>INCOME</b>			
Revenue From Operations	18	<b>609,334,939</b>	411,244,874
Less: Excise Duty		-	-
		<b>609,334,939</b>	411,244,874
Other Income	19	<b>27,764,187</b>	15,021,500
<b>Total Revenue</b>		<b>637,099,126</b>	426,266,374
<b>EXPENSES</b>			
Cost of raw materials and components consumed	20	<b>220,887,427</b>	132,917,331
Purchase of stock-in-trade		-	-
Changes in inventories of finished goods and work-in-progress	21	<b>7,138,475</b>	(22,145,170)
Employee Benefit Expenses	22	<b>63,140,250</b>	47,228,846
Finance Cost	23	<b>2,676,409</b>	3,458,674
Depreciation and amortisation expenses	4	<b>11,334,699</b>	8,139,422
Other Expenses	24	<b>226,211,135</b>	187,272,664
		<b>531,388,395</b>	356,871,767
Profit before exception and extraordinary items and tax		<b>105,710,731</b>	69,394,607
Extraordinary items		-	-
Profit before tax		<b>105,710,731</b>	69,394,607
Tax Expenses			
Current Tax		<b>32,659,227</b>	21,477,549
Deferred Tax		<b>(2,798,445)</b>	1,595,537
Profit after tax		<b>75,849,949</b>	46,321,521
<b>Other Comprehensive Income</b>			
Remeasurement of Defined Benefit Plans		<b>546,796</b>	(1,716,569)
Tax effect on above		<b>(159,227)</b>	477,549
Total Other Comprehensive Income for the year		<b>387,569</b>	(1,239,020)
Total Comprehensive Income for the year comprising Profit and Other Comprehensive income		<b>75,462,380</b>	45,082,501
Earnings per Equity Share (Basic and Diluted)		<b>24.08</b>	14.71

See accompanying Notes to Financial Statements

Vide our report of even date attached

For **S.N.S ASSOCIATES**

Chartered Accountants  
Firm Reg No. 006297S

NOMAN H. MILLWALA  
Chairman

RAJIV SREEDHAR  
Managing Director

S. NAGARAJAN  
Partner  
Membership No. 020899

DR. T. VENKATESAN  
Director

K. J. JANAKAR  
Director

SAROJA RAMAN  
Director

Place: Chennai  
Date: 29.07.2020

U. VISWANATH  
Company Secretary

N. GURUSWAMY  
Chief Financial Officer

# MIL INDUSTRIES LIMITED

## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2020

Rs.

	As at 31-03-2020	As at 31-03-2019
<b>A. EQUITY SHARE CAPITAL</b>		
Balance at the beginning of the year	31,500,000	31,500,000
Changes in Equity Share Capital during the year	-	-
Balance at the end of the year	31,500,000	31,500,000

### B. OTHER EQUITY

	Capital Redemption Reserve	Capital Reserve	General Reserve	Retained Earnings	Other Comprehensive Income
Balance as on 1st April 2018	3,000,000	1,500,000	1,826,000	201,807,355	(887,045)
Remeasurement of Defined Benefit Plans (net of tax)					(1,239,020)
Profit for the year after tax				46,321,521	
Balance as at 31st March 2019	3,000,000	1,500,000	1,826,000	248,128,876	(2,126,065)
Profit for the year after tax	-	-	-	75,849,949	
Remeasurement of Defined Benefit Plans (net of tax)					(387,569)
Interim Dividend paid				(3,150,000)	
Dividend Distribution tax				(647,492)	
Balance as at 31st March 2020	3,000,000	1,500,000	1,826,000	320,181,333	(2,513,634)

See accompanying Notes to Financial Statements

Vide our report of even date attached

For **S.N.S ASSOCIATES**

Chartered Accountants  
Firm Reg No. 006297S

NOMAN H. MILLWALA  
Chairman

RAJIV SREEDHAR  
Managing Director

S. NAGARAJAN  
Partner  
Membership No. 020899

DR. T. VENKATESAN  
Director

K. J. JANAKAR  
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SAROJA RAMAN  
Director

Place: Chennai  
Date: 29.07.2020

U. VISWANATH  
Company Secretary

N. GURUSWAMY  
Chief Financial Officer

# MIL INDUSTRIES LIMITED

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020 Rs.

PARTICULARS	Figures as at the end of the current reporting period ended 31-03-2020	Figures as at the end of the previous reporting period ended 31-03-2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the year before tax	105,710,731	69,394,607
Adjustments for		
Depreciation	11,334,699	8,139,422
Interest Expense	786,696	619,678
Interest income	(9,637,362)	(6,517,666)
Loss on sale of assets	8,854	-
Profit on sale of assets	-	(396,993)
Operating profit before working capital changes	<u>108,203,618</u>	<u>71,239,048</u>
Adjustments for changes in		
Other Non current financial assets	(96,665)	1,667,100
Trade Receivables	(7,269,026)	(12,902,165)
Inventories	(7,854,463)	(27,408,950)
Other Current Assets	(3,670,326)	(7,543,561)
Trade Payables	(12,285,136)	17,809,563
Bank deposits under lien and unclaimed dividend	(12,888,082)	-
Remeasurement of defined benefit obligations	(387,569)	(1,239,020)
Other Financial Liabilities	11,013,008	3,157,395
Other Current Liabilities	4,418,377	(1,039,689)
	<u>(29,019,883)</u>	<u>(27,499,327)</u>
Cash Generated from operations	79,183,735	43,739,721
Income tax paid (net)	(31,615,088)	(13,809,776)
Net Cash generated from Operations	(A) <u>47,568,647</u>	<u>29,929,945</u>
<b>B. CASH FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	(18,765,267)	(21,007,144)
Proceeds from sale of Property, Plant and Equipment	84,746	460,000
Investment in Subsidiary Company	(2,000,000)	-
Interest income	9,637,362	6,517,666
Net cash (used in)/from Investing activities	(B) <u>(11,043,159)</u>	<u>(14,029,478)</u>
<b>C. CASH FROM FINANCING ACTIVITIES</b>		
Interest expense	(786,696)	(619,678)
Repayment of Non Current Borrowings	-	(12,416,162)
Proceeds from current borrowings	6,828,348	-
Dividend Paid including Dividend tax	(3,797,492)	-
Net cash (used in)/from Financing Activities	(C) <u>2,244,160</u>	<u>(13,035,840)</u>
Net increase/(decrease) in cash and cash equivalents	(A+B+C) <u>38,769,647</u>	2,864,627
Opening Cash and Cash Equivalents (excluding deposits under lien)	123,403,387	120,538,760
Closing Cash and Cash Equivalents	162,173,035	123,403,387

See accompanying Notes to Financial Statements

Vide our report of even date attached

For **S.N.S ASSOCIATES**

Chartered Accountants  
Firm Reg No. 006297S

NOMAN H. MILLWALA  
Chairman

RAJIV SREEDHAR  
Managing Director

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Partner  
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DR. T. VENKATESAN  
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SAROJA RAMAN  
Director

Place: Chennai  
Date: 29.07.2020

U. VISWANATH  
Company Secretary

N. GURUSWAMY  
Chief Financial Officer

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

### 1. Corporate Information

MIL Industries Limited, is a Company which is registered under the Companies Act, 1956 and is domiciled in India. The Registered Office of the Company is situated at 25A SIDCO Industrial Estate, Ambattur, Chennai 600098.

The Company is engaged in the business of anti corrosive lining of equipment and pipes using rubber and Poly Tetra Fluoro Ethelene (PTFE). The Company's factories are situated at Ambattur and Gummidipoondi in the state of Tamil Nadu.

### 2. Basis of preparation on Financial Statements

These Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. The Company adopted Ind AS from 1st April 2017. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto adopted.

The Financial Statements are prepared in accordance with the historical cost convention except for certain items that are measured at fair values at the end of each reporting period, as explained in the Accounting Policies set out below. The Financial Statements are prepared on a "Going Concern" basis using accrual concept except for the Cash Flow information. Historical Cost is generally based fair value of the consideration given in exchange for goods and services.

### 3. Significant Accounting Policies

#### a) Use of Estimates

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 assumptions that affect 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 assessed 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

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.

### **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.

### **l) Cash Flow Statement**

Cash Flows are reported using indirect method, where profit or loss before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The Cash flows from Operating, investing and financing activities are segregated based on available information.

# MIL INDUSTRIES LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

### 4. PROPERTY, PLANT AND EQUIPMENT

Rs.

<b>GROSS BLOCK</b>				
	As at 01-04-2019	Additions	Deletions	Balance 31-03-2020
Land				
Freehold				
Ambattur	172,887	-	-	<b>172,887</b>
Others	7,305,325	-	-	<b>7,305,325</b>
Leasehold land	238,485	-	-	<b>238,485</b>
Buildings	28,942,337	3,145,228	-	<b>32,087,565</b>
Plant and Equipment	116,513,069	13,531,430	1,876,000	<b>128,168,499</b>
Furniture and Fixtures	2,812,792	573,764	-	<b>3,386,556</b>
Vehicles	8,712,206	725,531	-	<b>9,437,737</b>
Office Equipment	7,531,017	207,506	-	<b>7,738,523</b>
Computers	2,320,786	581,808	-	<b>2,902,594</b>
<b>TOTAL</b>	<b>174,548,904</b>	<b>18,765,267</b>	<b>1,876,000</b>	<b>191,438,171</b>
Previous year total	154,403,885	21,007,144	862,125	174,548,904

Rs.

<b>DEPRECIATION BLOCK</b>				
<b>PARTICULARS</b>	As at 01-04-2019	For the year	Deletions	Balance 31-03-2020
Land				
Freehold				
Ambattur	-	-	-	-
Others	-	-	-	-
Leasehold land	82,010	3,196		<b>85,206</b>
Buildings	14,069,773	890,755		<b>14,960,528</b>
Plant and Equipment	78,783,455	9,151,451	1,782,400	<b>86,152,506</b>
Furniture and Fixtures	2,450,135	92,149		<b>2,542,284</b>
Vehicles	6,838,459	625,827		<b>7,464,286</b>
Office Equipment	6,976,837	171,539		<b>7,148,376</b>
Computers	1,692,407	399,782		<b>2,092,189</b>
<b>TOTAL</b>	<b>110,893,076</b>	<b>11,334,699</b>	<b>1,782,400</b>	<b>120,445,375</b>
Previous year total	103,552,772	8,139,422	799,118	110,893,076



# MIL INDUSTRIES LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

Rs.

PARTICULARS	NET BLOCK	
	31-03-2020	31-03-2019
Land		
Freehold	-	-
Ambattur	172,887	172,887
Others	7,305,325	7,305,325
Leasehold land	153,279	156,475
Buildings	17,127,037	14,872,564
Plant and Equipment	42,015,993	37,729,614
Furniture and Fixtures	844,272	362,657
Vehicles	1,973,451	1,873,747
Office Equipment	590,147	554,180
Computers	810,405	628,379
<b>TOTAL</b>	<b>70,992,796</b>	<b>63,655,828</b>
Previous year balance	63,655,828	

Rs.

PARTICULARS	31-03-2020	31-03-2019
<b>5. NON CURRENT INVESTMENTS</b>		
Investments in Equity Instruments (fully paid up)		
Non Trade - Unquoted		
In Subsidiary Company		
200000 Equity Shares of Rs.10/- each fully paid up in MIL Industries and Aerospace Limited (Wholly owned Susidiary)	2,000,000	-
In other Companies		
7800 Equity Shares of Rs.10/- each fully paid up in MIL Trading Private Limited	78,000	78,000
	<u>2,078,000</u>	<u>78,000</u>
<b>6. OTHER FINANANCIAL ASSETS</b>		
Unsecured - Considered good		
Security Deposits	1,475,390	1,378,725
	<u>1,475,390</u>	<u>1,378,725</u>

# MIL INDUSTRIES LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

		Rs.	
	PARTICULARS	31-03-2020	31-03-2019
<b>7. INVENTORIES</b>			
Raw Materials	<b>50,392,128</b>	35,057,025	
Work in progress	<b>28,103,919</b>	40,399,629	
Finished Goods	<b>8,627,040</b>	3,469,805	
Stores and Spares	<b>2,301,033</b>	2,643,198	
	<b>89,424,120</b>	81,569,657	
<b>8. TRADE RECEIVABLES</b>			
Unsecured - Considered good	<b>97,127,504</b>	89,858,478	
	<b>97,127,504</b>	89,858,478	
Age analysis of receivables			
Outstanding for more than six months from the date they are due	<b>3,578,960</b>	2,428,274	
Other Debts	<b>93,869,428</b>	87,430,204	
The above is after considering loss on fair valuation	<b>1,975,645</b>	1,833,847	
<b>9. CASH AND CASH EQUIVALENTS</b>			
Cash on hand	<b>406,803</b>	179,445	
Balance with Banks			
In Current Account	<b>12,192,420</b>	10,762,048	
In Deposit Accounts	<b>149,573,812</b>	112,461,894	
In Deposits offered as security for credit facilities	<b>22,900,000</b>	10,011,918	
	<b>185,073,035</b>	133,415,305	
<b>10. OTHER CURRENT ASSETS</b>			
Unsecured - Considered Good			
1. Advances to employees	<b>275,827</b>	191,350	
2. Prepaid Expenses	<b>1,445,173</b>	1,319,786	
3. Advance to suppliers	<b>12,398,544</b>	4,907,657	
4. Rent Receivables	-	-	
5. Earnest Money Deposits	<b>127,786</b>	172,786	
6. Balance with Excise Department	<b>207,803</b>	207,803	
7. Balance with Sales tax Department	<b>3,210,900</b>	2,616,817	
8. MEIS Scrips on hand	<b>144,589</b>	1,054,496	
9. Interest receivable	<b>971,038</b>	4,814,460	
10. Duty Drawback Receivable	<b>173,821</b>	-	
	<b>18,955,481</b>	15,285,155	

# MIL INDUSTRIES LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

PARTICULARS	Rs.	
	31-03-2020	31-03-2019
<b>11. EQUITY SHARE CAPITAL</b>		
<b>SHARE CAPITAL</b>		
<u>Authorised:</u>		
4,900,000 Equity Shares of Rs. 10/- each	<b>49,000,000</b>	49,000,000
100,000 10% Redeemable Cumulative Preference shares of Rs. 10/- each	<b>1,000,000</b>	1,000,000
250,000 10% Convertible Redeemable Cumulative Preference shares of Rs. 10/- each	<b>2,500,000</b>	2,500,000
	<b>52,500,000</b>	52,500,000
<u>Issued, Subscribed and Fully Paid-up:</u>		
3,150,000 Equity Shares of Rs. 10/- each	<b>31,500,000</b>	31,500,000
	<b>31,500,000</b>	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	<b>3,150,000</b>	31,500,000
Outstanding at the end of the year	<b>3,150,000</b>	31,500,000

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	
		31.03.2020	31.03.2019	31.03.2020	31.03.2019
1	Krebs Engineering Private Limited	<b>962,000</b>	962,000	<b>30.54%</b>	30.54%
2	Saroja Raman	<b>315,295</b>	315,295	<b>10.01%</b>	10.01%
3	Mahendra Girdharilal	<b>190,085</b>	190,085	<b>6.03%</b>	6.03%
4	Tamilnadu Industrial Investment Corporation Ltd	<b>168,000</b>	168,000	<b>5.33%</b>	5.33%

Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of Rs.10/- per Share. All the Shares have the same rights and preferences with respect to payment of Dividend, repayment of capital and voting. In the event of liquidation of the Company the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

# MIL INDUSTRIES LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

### 12. OTHER EQUITY

Rs.

PARTICULARS	Capital Redemption Reserve	Capital Reserve	General Reserve	Retained Earnings	Other Comprehensive Income	Total
<b>Balance as at 01-04-2019</b>	3,000,000	1,500,000	1,826,000	248,128,876	(2,126,065)	252,328,811
Remeasurement of defined benefit plans transferred to Other Comprehensive Income (net of tax)					(387,569)	(387,569)
Add: Profit for the period ended 31-03-2020				75,849,949		75,849,949
Less : Interim Dividend Paid				(3,150,000)		(3,150,000)
Dividend Distribution Tax				(647,492)		(647,492)
<b>Balance as at 31-03-2020</b>	<b>3,000,000</b>	<b>1,500,000</b>	<b>1,826,000</b>	<b>320,181,333</b>	<b>(2,513,634)</b>	<b>323,993,699</b>

Note: The Board of Directors of the Company had at the Board Meeting held on 28.08.2019 declared an Interim Dividend of 10% amounting to Rs.3,150,000/= which has been paid.

Rs.

PARTICULARS	31-03-2020	31-03-2019
-------------	------------	------------

### 13. BORROWINGS

The Company does not have any Long Term Borrowings.

- -

### 14. DEFERRED TAX LIABILITIES

On Account of Depreciation	<b>394,405</b>	3,127,718
On account of fair valuation of financial assets	<b>( 575,308)</b>	( 510,176)
	<b>(180,903)</b>	<u>2,617,542</u>

Note: Figures in bracket represents asset

### 15. BORROWINGS

#### (i) From Banks

Working Capital Borrowings - Secured	<b>6,828,348</b>	-
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	<b>6,828,348</b>	-

# MIL INDUSTRIES LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

		Rs.	
	PARTICULARS	31-03-2020	31-03-2019
<b>16. OTHER FINANCIAL LIABILITIES</b>			
Advance from customers		41,690,669	30,677,661
		<u>41,690,669</u>	<u>30,677,661</u>
<b>17. OTHER CURRENT LIABILITIES</b>			
Security Deposits		192,000	192,000
Other Payables:			
IGST payable		-	-
TDS payable		1,652,723	423,286
Payable to employees		2,253,176	1,855,424
Provision for taxation (net of payments)		7,721,516	6,677,377
Others		5,906,820	3,115,633
		<u>17,726,235</u>	<u>12,263,720</u>

		Rs.	
	PARTICULARS	31-03-2020	31-03-2019
<b>18. REVENUE FROM OPERATIONS</b>			
Sale of products (Rubber Lining and PTFE)		567,036,931	343,947,421
Sale of Services		42,298,008	67,297,453
Sale of Stock -in-trade		-	-
		<u>609,334,939</u>	<u>411,244,874</u>
<b>19. OTHER INCOME</b>			
Gain on foreign currency transactions		1,947,753	2,293,435
Profit on sale of assets		-	396,993
Interest received		9,637,362	6,517,666
Rent received		420,000	420,000
Scraps Sales		35,021	-
Credit balances no longer required written back		12,099,660	537,545
Bad debts written off recovered		93,599	400,000
Export Incentives:			
Merchandise Export and Incentive Scheme Scrips		1,891,135	3,414,929
Duty Draw back		1,639,656	1,012,169
Miscellaneous Receipts		-	28,763
		<u>27,764,187</u>	<u>15,021,500</u>

# MIL INDUSTRIES LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

	Rs.	
PARTICULARS	31-03-2020	31-03-2019
<b>20. COST OF RAW MATERIALS AND COMPONENTS CONSUMED</b>		
Raw materials and components	<u>220,887,427</u>	132,917,331
	<u>220,887,427</u>	<u>132,917,331</u>
<b>21. CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS</b>		
Opening Stock		
Finished Goods	3,469,805	6,263,715
Work in progress	<u>40,399,629</u>	<u>15,460,549</u>
	<u>43,869,434</u>	21,724,264
Closing Stock		
Finished Goods	8,627,040	3,469,805
Work in progress	<u>28,103,919</u>	<u>40,399,629</u>
	<u>36,730,959</u>	<u>43,869,434</u>
(Increase)/Decrease in inventories of Finished Goods and Work in progress	<u>7,138,475</u>	(2 21 45 170)
<b>22. EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages and Bonus	52,817,805	40,781,298
Contribution to Provident and Other Funds	4,395,740	2,555,862
Welfare Expenses	<u>5,926,705</u>	<u>3,891,686</u>
	<u>63,140,250</u>	<u>47,228,846</u>
<b>23. FINANCE COSTS</b>		
Interest Expense	786,696	619,678
Other Borrowing Costs	<u>1,889,713</u>	<u>2,838,996</u>
	<u>2,676,409</u>	<u>3,458,674</u>

# MIL INDUSTRIES LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

	Rs.	
PARTICULARS	31-03-2020	31-03-2019
<b>24. OTHER EXPENSES</b>		
Lining Expenses	<b>86,891,359</b>	78,816,743
Power and fuel	<b>16,010,700</b>	13,090,035
Stores and Spares consumed	<b>35,114,208</b>	32,793,430
Rent	<b>600,000</b>	600,000
Insurance	<b>1,106,633</b>	984,162
Rates and Taxes	<b>2,278,506</b>	2,536,444
Postage and Telephone	<b>1,429,862</b>	1,217,729
Printing and Stationery	<b>1,520,250</b>	1,484,423
Travelling and Conveyance	<b>13,243,328</b>	12,985,367
Payment to Auditors:		
For Audit	<b>490,000</b>	240,000
For Certification and other Services	<b>304,000</b>	60,000
Repairs and Maintenance:		
Buildings	<b>6,073,369</b>	4,175,732
Plant & Machinery	<b>7,466,716</b>	5,331,030
Others - Maintenance Expenses	<b>9,010,305</b>	5,181,785
Selling expenses	<b>1,702,680</b>	1,941,491
Professional fees	<b>31,580,120</b>	16,482,419
Advertisement and Sales Promotion	<b>327,580</b>	285,796
Loss on foreign currency transactions	<b>307,563</b>	2,907,076
Commission on Sales	<b>390,000</b>	200,000
Directors' Sitting fees	<b>250,000</b>	220,000
Security Service Charges	<b>2,458,374</b>	2,363,810
Bad Debts Written off	<b>4,459,305</b>	1,672,395
CSR Expenditure	<b>921,000</b>	480,000
Donations	<b>45,000</b>	3,002
Loss on fair valuation of financial assets	<b>141,798</b>	263,310
Loss on Sale of Assets	<b>8,854</b>	-
Miscellaneous expenses	<b>2,079,625</b>	956,485
	<b><u>226,211,135</u></b>	<b><u>187,272,664</u></b>

# MIL INDUSTRIES LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

PARTICULARS	31-03-2020	31-03-2019
	Rs.	Rs.
<b>25. Contingent Liabilities on account of:</b>		
a) Guarantees given by Banks on behalf of the Company	17,841,230	49,226,778
b) <u>TN VAT Demand for the period April 2011 to March 2016</u>	-	-
<p>The Company's writ petition filed before the Madras High Court during the year ended 31-03-2018 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.</p>		
<b>26. Commitments:</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for:	7,459,651	-
<b>27.</b> 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.		
<b>28.</b> The company has not discontinued any operations during the year.		
<b>29.</b> Corporate Social Responsibility:		
<p>During the financial year 2019-20, the Company was required to spend Rs. 9,20,894/- as per Section 135 of the Companies Act, 2013 towards Corporate Social Responsibility being 2% of the average net profits for the immediately preceding three Financial Years. In compliance with this requirement, the Company has actually spent Rs. 9,21,000/- during the financial year 2019-20.</p>		
<b>30.1. Financial Risk Management and Objectives and Policies</b>		
<p>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.</p>		
<b>30.2. Disclosure of Fair Value Measurements</b>		
<p>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.</p>		



**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020**

**Financial Instruments by category**

Rs.

	Amortised Cost	Fair Value Through Profit and Loss	Fair value Through Other Comprehensive Income	Carrying amount	Fair Value
<b>As at 31-03-2020</b>					
<b>Financial Assets</b>					
Long Term Investment	2,078,000			2,078,000	2,078,000
Other financial assets					
Trade Receivables		99,103,149		99,103,149	97,127,504
Cash and cash equivalents	185,073,035			185,073,035	185,073,035
<b>Financial Liabilities</b>					
Long Term Borrowings	-			-	-
Short term borrowings	6,828,348			6,828,348	6,828,348
Trade payables	43,568,278			43,568,278	43,568,278
Other financial liabilities	41,690,669			41,690,669	41,690,669

<b>As at 31-03-2019</b>					
<b>Financial Assets</b>					
Long Term Investment	78,000		-	78,000	
Other financial assets			-	-	-
Trade Receivables		91,692,325	-	91,692,325	89,858,478
Cash and cash equivalents	133,415,305		-	133,415,305	133,415,305
<b>Financial Liabilities</b>					
Long Term Borrowings	-	-	-	-	-
Short term borrowings		-	-	-	-
Trade payables	55,853,414	-	-	55,853,414	55,853,414
Other financial liabilities	30,677,661	-	-	30,677,661	30,677,661

**Fair Value Hierarchy**

The Company uses the following hierarchy for determining the fair value of the financial assets and liabilities:

Level 1 - Quoted prices in the market for financial assets or liabilities

Level 2 - Other techniques for which all inputs which have significant effect on the recorded fair value observable, either directly or indirectly.

Level 3 - This technique uses inpputs that have a significant effect on the recorded fair value that are not based on observable market data.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020**

	Rs.	
	31-03-2020	31-03-2019
<b>30.3. Employee Benefits</b>		
<b>i) Provident Fund</b>		
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	<b>2,045,311</b>	1,982,806
<b>ii) Superannuation</b>		
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	<b>1,089,414</b>	944,500
<b>iii) Leave encashment</b>		
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.		
<b>iv) Gratuity</b>		
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	<b>6.45%</b>	7.52%
Salary Escalation	<b>7.00%</b>	7.00%
Expected return on plan assets	<b>6.45%</b>	7.52%
Attrition rate	<b>13.00%</b>	13.00%
Average age	<b>39.40</b>	40.04

**b) Movement in present value of Defined Benefit Plan (Gratuity) during the year**

Opening value of DBO at the beginning of the year	<b>10,439,861</b>	9,002,633
Current Service Cost	<b>690,921</b>	646,418
Interest Cost	<b>673,371</b>	652,569
Benefits paid	-	(813,306)
Actuarial (Gains)/Loss	<b>276,773</b>	951,547
Closing value of DBO at the end of the year	<b>12,080,926</b>	10,439,861

**c) Movement in Plan assets during the year**

Fair value of plan assets at the beginning	<b>10,376,870</b>	9,969,470
Interest income of the assets	<b>714,977</b>	765,022
Employer contribution	<b>1,416,084</b>	1,220,705
Benefits paid	-	(813,306)
Actuarial gain/(Loss)	<b>823,569</b>	(765,021)
Fair value of plan assets at the end of theyear	<b>13,331,500</b>	10,376,870

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020**

Rs.

**d) Sensitivity Analysis****31-03-2020**      31-03-2019

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	<b>684,344</b>	458,819
decrease by	<b>604,492</b>	419,495

If the expected salary increases/decreases by 100 basis points, the defined benefit obligation would

increase by	<b>671,938</b>	450,032
decrease by	<b>604,307</b>	417,935

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 STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

PARTICULARS	31-03-2020		31-03-2019	
	Qty.	Value Rs.	Qty.	Value Rs.
<b>32. ADDITIONAL NOTES</b>				
<b>a) Turnover</b>				
<b>Rubber</b>				
<b>Manufacturing :</b>				
- Rubber lining Products (Sq.M.)	45638	389,865,598	31333	209,075,339
		<u>389,865,598</u>		<u>209,075,339</u>
<b>Service:</b>				
- Rubber lining		41,550,091		66,809,003
Total income - Segment A		<u>431,415,689</u>		<u>275,884,342</u>
<b>PTFE</b>				
<b>Manufacturing :</b>				
- PTFE Lined Pipes and Fittings and PTFE Products (Kgs)	21154	177,171,333	13935	134,872,082
		<u>177,171,333</u>		<u>134,872,082</u>
<b>Service:</b>				
- PTFE Coating, etc		747,917		488,450
Total income - Segment B		<u>177,919,250</u>		<u>135,360,532</u>
<b>Total Turnover - Sales</b>		<u>609,334,939</u>		<u>411,244,874</u>
<b>b) Raw materials and components consumed (kgs) :</b>				
<b>Manufacturing:</b>				
1. Natural and Synthetic rubber	196724	36,065,547	151526	39,693,593
2. Fillers	162168	13,148,754	144745	3,276,902
3. Solvents	88676	8,207,004	72560	6,512,902
4. Special Curing and bonding agents	24660	6,358,762	19834	3,488,295
5. Resins	22828	24,849,910	14455	16,759,628
6. Steel Pipes, Pipe Fittings, Steel Equipments of various specifications	-	129,279,188	-	58,210,079
7. Others	-	2,978,262	-	4,975,932
		<u>220,887,427</u>		<u>132,917,331</u>

# MIL INDUSTRIES LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

PARTICULARS	31-03-2020		31-03-2019	
	Qty.	Value Rs.	Qty.	Value Rs.
<b>c) Opening and Closing stock of goods produced:</b>				
<b>Finished Goods:</b>				
<b>Opening Stock</b>				
- Rubber Lining Products (Sq. M.)	40	317,106	116	288,218
- PTFE Lined Products (Kgs)*	707	3,152,699	1040	5,975,497
		<u>3,469,805</u>		<u>6,263,715</u>
<b>Closing Stock</b>				
- Rubber Lining Products (Sq. M.)	98	945,230	40	317,106
- PTFE Lined Products (Kgs)*	1263	7,681,810	707	3,152,699
		<u>8,627,040</u>		<u>3,469,805</u>
(* Represents PTFE content in Finished Products)				
<b>d) Capacity and Production:</b>				
<b>Licenced Capacity :</b>				
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
<b>Installed Capacity :</b>				
(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
<b>Actual Production</b>				
1. Rubber lining	(Sq. Mtr.)	45,696	(Sq. Mtr.)	30,109
2. PTFE (Resin Weight)	(Kgs.)	21,710	(Kgs.)	17,238

# MIL INDUSTRIES LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

PARTICULARS	31-03-2020		31-03-2019	
	Qty.	Value Rs.	Qty.	Value Rs.
<b>e) Value of Imports calculated on CIF basis :</b>				
1. Raw Materials		15,674,808		13,085,773
2. Capital Goods and Spares		7,528,513		7,808,699
		<u>23,203,321</u>		<u>20,894,472</u>
<b>f) Expenditure in foreign currency:</b>				
Foreign Travel		1,390,755		1,490,530
Fees for services rendered outside India		6,909,935		15,805,902
	%	Rs.	%	Rs.
<b>g) Details regarding consumption of imported and indigenous materials</b>				
1. Raw Materials & Components				
Imported	8.14	17,987,854	13.27	17,639,381
Indigenous	91.86	202,899,573	86.73	115,277,950
	<u>100.00</u>	<u>220,887,427</u>	<u>100.00</u>	<u>132,917,331</u>
2. Stores & Spare Parts				
Imported	1.49	521,766	0.17	54,190
Indigenous	98.51	34,592,442	99.83	32,739,240
	<u>100.00</u>	<u>35,114,208</u>	<u>100.00</u>	<u>32,793,430</u>
<b>h) Number of Non-resident shareholders</b>				
Number of Non-resident shareholders		27		28
Number of Shares held		118,250		125,000
<b>(i) Earnings in Foreign Exchange</b>				
1. Export of goods on FOB basis		60,509,886		91,127,337
2. Technical Services		21,975,636		45,212,432
		<u>82,485,522</u>		<u>136,339,769</u>

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020**
**33. SEGMENT REPORTING**

For the purpose of segment reporting, the Company's primary segments are classified as:

- 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 01-04-2019 to 31-03-2020	Year to date figures for the period 01-04-2018 to 31-03-2019
1. Segment Revenue		
a. Rubber Lining & Rubber Products	431,415,689	275,884,342
b. PTFE Lining & PTFE Products	177,919,250	135,360,532
Total	609,334,939	411,244,874
Less: Inter segment revenue	-	-
Net Sales / Income from Operations	609,334,939	411,244,874
2. Segment Results Profit / (loss) (before tax and interest from each segment)		
a. Rubber Lining & Rubber Products	87,401,786	53,120,950
b. PTFE Lining & PTFE Products	31,326,117	26,319,967
Total	118,727,902	79,440,917
Less: i. Interest and Finance Charges	2,676,409	3,458,674
ii. Other un-allocable expenditure net of unallocable income	10,340,762	6,587,635
<b>Total Profit Before Tax</b>	<b>105,710,731</b>	<b>69,394,608</b>
Capital Employed (Segment assets - Segment Liabilities)		
a. Rubber Lining & Rubber Products	165,751,101	132,339,024
b. PTFE Lining & PTFE Products	189,742,598	151,489,787
<b>Total</b>	<b>355,493,699</b>	<b>283,828,811</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020**

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	31-03-2020 Amount in Rs.			31-03-2019 Amount in Rs.		
	Nature of Transaction			Nature of Transaction		
	Remuneration	Rent Paid	Year End Balance	Remuneration	Rent Paid	Year End Balance
<b>Key Management Personnel</b>						
Mr. Rajiv Sreedhar - Managing Director	8,380,000	600,000	-	6,082,810	600,000	-
Mr. V.P.K. Mani - Company Secretary	650,000	-	-	600,000	-	-
Mr. N. Guruswamy - Chief Financial Officer	1,430,000	-	-	1,200,000	-	-
<b>Directors</b>		<b>Sitting Fees</b>	-		<b>Sitting Fees</b>	-
Mr. S.S.R. Rajkumar	-	65,000	-	-	65,000	-
Mr. Noman H. Millwala	-	85,000	-	-	65,000	-
Mrs. Saroja Raman	-	50,000	-	-	25,000	-
Dr. T.Venkatesan	-	50,000	-	-	65,000	-
Krebs Engineering Private Limited	Professional services - Fees Paid	8,288,762	4,863,434	-	-	-

	31-03-2020	31-03-2019
<b>35. Earnings Per Share</b>		
Profit for the year attributable to Equity Shareholders	<b>75,849,949</b>	46,321,521
Number of Equity Shares of Rs.10/- each	<b>3,150,000</b>	3,150,000
Earnings Per Share - Basic and Diluted	<b>24.08</b>	14.71



# MIL INDUSTRIES LIMITED

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## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

36. The Board of Directors of the Company at their meeting held on 2nd December 2019 approved a Scheme of Demerger of the PTFE Division into the wholly owned subsidiary, MIL Industries and Aerospace Limited, which is subject to the approval of the Shareholders and the sanction of the Hon'ble National Company Law Tribunal (NCLT). After receipt of the NOC from the Metropolitan Stock Exchange of India Limited, the Company has filed a petition with the Hon'ble NCLT, Chennai, under the provisions of section 230 to 232 of the Companies Act, 2013. Since it is pending before the Hon'ble NCLT, no effect has been given to the said Scheme.
37. The manufacturing facilities and all offices of the Company were closed from March 25, 2020 following the countrywide lockdown due to Covid 19. As per State Government instructions, the Company has resumed operations in a phased manner. The Company has evaluated the impact of Covid 19 Pandemic on its business operations and financial position and based on its review, there is no significant impact on its financial results as at 31-03-2020.
38. Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.
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Vide our report of even date attached

For **S.N.S ASSOCIATES**

Chartered Accountants  
Firm Reg No. 006297S

NOMAN H. MILLWALA  
Chairman

RAJIV SREEDHAR  
Managing Director

S. NAGARAJAN  
Partner  
Membership No. 020899

DR. T. VENKATESAN  
Director

K. J. JANAKAR  
Director

SAROJA RAMAN  
Director

Place: Chennai  
Date: 29.07.2020

U. VISWANATH  
Company Secretary

N. GURUSWAMY  
Chief Financial Officer

**SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES / ASSOCIATES / JOINT VENTURES AS PER COMPANIES ACT, 2013**

[Pursuant to Section 129(3) of the Companies Act, 2013 and Rule 5 of the Companies (Accounts) Rules, 2014 - AOC 1]

Rs. in lakhs

Name of Subsidiary Company	Reporting Period	Reporting Currency	Closing Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover / Total Income	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend	% of Shareholding
Mil Industries and Aerospace Limited	April 01, 2019 to March 31, 2020	INR	-	20.00	-0.59	19.51	19.51	-	-	-0.46	-	-0.46	-	100

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**Consolidated Financial Statements**  
**2019-20**

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## Independent Auditors' Report

To the Members of MIL Industries Limited

### Report on the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of MIL Industries Limited ("the Holding Company"), and its wholly owned subsidiary (the holding company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March 2020, and the consolidated statement of Profit and Loss, consolidated Statement of changes in Equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the consolidated financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31st March, 2020, and its consolidated profit, consolidated statement of changes in equity and its consolidated 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 consolidated 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 <sup>st</sup> March 2020, the Group carries Cash and Cash Equivalents to the extent of Rs.18,67,18,403/- representing 40.13% of the total assets which has been considered as a Key Audit Matter	<ul style="list-style-type: none"><li>• 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.</li><li>• The cash balance has been physically verified at the end of the year.</li><li>• The Bank Reconciliation statements have been verified as at the end of the year.</li><li>• 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.</li><li>• The original confirmations of balances for the outstanding balances with the banks as at the year end have been verified.</li></ul>

Key Audit Matters	Response to Key Audit Matters and Conclusion
<p>As at 31<sup>st</sup> March 2020, the Group carried Inventories to the extent of Rs.8,94,24,120/- which having regard to the value has been considered as a Key Audit Matter</p>	<ul style="list-style-type: none"> <li>• Due to Covid 19 related lockdown, we were not able to physically observe the physical verification of inventory that was carried out by the Management at the year end. Consequently, we have performed alternate procedures to audit the existence and condition of inventory as per the guidelines provided in SA 501 Audit Evidence – Specific considerations for stipulated items, which includes inspection of supporting documentation relating to purchases, production, sales, physical verification performed by the management and such other third party evidences where applicable and have obtained sufficient and appropriate audit evidence.</li> <li>• 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.</li> <li>• 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.</li> <li>• We have also tested the judgment and procedure adopted by the Company for the determination of the realisable value of the inventories.</li> <li>• Based on the above procedures, the determination of the value of inventories by the Management at the end of the year is considered reasonable.</li> </ul>
<p>As at 31<sup>st</sup> March 2020, the Group had Trade Receivables of Rs.9,71,27,504/- which having regard to the value has been considered as a Key Audit Matter</p>	<ul style="list-style-type: none"> <li>• We have verified and tested the design and operating effectiveness of the control with regard to sale of goods and revenue recognition.</li> <li>• 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.</li> <li>• We have also tested the judgment made by the management relating to credit risk and the impairment assessment.</li> <li>• Based on the above procedures, the estimate of credit risk and impairment assessment made by the Management is reasonable.</li> </ul>

**Information other than the Financial Statements and Auditors’ Report thereon**

The Holding Company’s Board of Directors is responsible for the other information in the Annual Report, comprising of the Directors’ Report and its annexures, but does not include the consolidated financial statements and our Auditors’ Report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Management and Those Charged with Governance for Standalone Financial Statements**

The Holding 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 consolidated 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, the Holding Company's 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.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group 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 consolidated 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 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 of the aforesaid consolidated financial statement;
  - b. in our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated statements, have been kept by the Company so far as it appears from our examination of those books;
  - c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, Consolidated Statement of changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the aforesaid consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated 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 of the Holding Company, as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the report of the Statutory Auditors of its subsidiary company, none of the Directors of the Group is disqualified as on March 31, 2020 from being appointed as a Director in terms of Section 164 (2) of the Act.
2. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”.
3. With respect to the other matters to be included in the Auditors’ Report in accordance with the requirements of Section 197(16) of the act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of the Section 197 of the Act.
4. 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 Group 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

ICAI UDIN No.20020899AAAAGY8789

Chennai

Dated : 29.07.2020

### **“Annexure A” to the Independent Auditor’s Report of even date on the Consolidated 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 Holding Company”) and its subsidiary company which is a company incorporated in India as of 31st March 2020 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Holding Company’s management and its Subsidiary Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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 Group 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



## MIL INDUSTRIES LIMITED

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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, Holding Company, its subsidiary 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Chennai  
Dated : 29.07.2020

For S.N.S ASSOCIATES  
Chartered Accountants  
Firm Reg No. 006297S  
S. NAGARAJAN  
Partner  
Membership No. 020899  
ICAI UDIN No.20020899AAAAGY8789

# MIL INDUSTRIES LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2020

		Rs.	
PARTICULARS		Note	As at 31-03-2020
<b>ASSETS</b>			
<b>Non Current Assets</b>			
i) Property, Plant and Equipment		4	70,992,796
ii) Capital Work in Progress			
iii) Financial Assets			
a) Investments		5	78,000
b) Other Financial Assets		6	1,475,390
iv) Other Non Current Assets		7	305,411
v) Deferred Tax Assets (Net)		8	180,903
Total Non current Assets		<b>(A)</b>	<u>73,032,500</u>
<b>Current Assets</b>			
Inventories		9	89,424,120
i) Financial Assets			
a) Trade Receivables		10	97,127,504
b) Cash and cash equivalents		11	186,718,403
c) Other financial assets			
ii) Other current assets		12	18,955,480
Total current assets		<b>(B)</b>	<u>392,225,506</u>
<b>Total Assets</b>		<b>(A)+(B)</b>	<u><b>465,258,007</b></u>
<b>EQUITY AND LIABILITIES</b>			
Equity			
a) Equity Share Capital		13	31,500,000
b) Other Equity			
Reserves and Surplus		14	323,934,476
Total Equity		<b>( C )</b>	355,434,476
<b>LIABILITIES</b>			
<b>Non Current Liabilities</b>			
i) Financial Liabilities			
a) Borrowings			
ii) Deferred tax liabilities			
iii) Other non current liabilities			
Total Non Current Liabilities		<b>(D)</b>	<u>-</u>
<b>Current Liabilities</b>			
i) Financial Liabilities			
a) Borrowings		15	6,828,348
b) Trade Payables			43,568,278
c) Other Financial Liabilities		16	41,690,669
ii) Other current liabilities		17	17,736,235
Total Current Liabilities		<b>(E)</b>	<u>109,823,530</u>
<b>Total Equity and Liabilities</b>		<b>(C)+(D)+(E)</b>	<u><b>465,258,007</b></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

NOMAN H. MILLWALA  
Chairman

RAJIV SREEDHAR  
Managing Director

S. NAGARAJAN  
Partner  
Membership No. 020899

DR. T. VENKATESAN  
Director

K. J. JANAKAR  
Director

SAROJA RAMAN  
Director

Place: Chennai  
Date: 29.07.2020

U. VISWANATH  
Company Secretary

N. GURUSWAMY  
Chief Financial Officer

# MIL INDUSTRIES LIMITED

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2020

PARTICULARS	Note No.	Rs. Figures as at the end of the current reporting period <b>31-03-2020</b>
<b>INCOME</b>		
Revenue From Operations	18	609,334,939
		-
		609,334,939
Other Income	19	27,764,187
<b>Total Revenue</b>		<b>637,099,126</b>
<b>EXPENSES</b>		
Cost of raw materials and components consumed	20	220,887,427
Purchase of stock-in-trade		-
Changes in inventories of finished goods and work-in-progress	21	7,138,475
Employee Benefit Expenses	22	63,140,250
Finance Cost	23	2,676,409
Depreciation and amortisation expenses	4	11,334,699
Other Expenses	24	226,257,552
		531,434,812
Profit before exception and extraordinary items and tax		<b>105,664,314</b>
Extraordinary items		-
Profit before tax		105,664,314
Tax Expenses		
Current Tax		32,659,227
Deferred Tax		(2,798,445)
Profit after tax		<b>75,803,532</b>
<b>Other Comprehensive Income</b>		
Remeasurement of Defined Benefit Plans		546,796
Tax effect on above		(159,227)
Total Other Comprehensive Income for the year		387,569
Total Comprehensive Income for the year comprising Profit and Other Comprehensive income		<b>75,415,963</b>
Earnings per Equity Share (Basic and Diluted)		24.06

See accompanying Notes to Financial Statements

Vide our report of even date attached

For **S.N.S ASSOCIATES**

Chartered Accountants  
Firm Reg No. 006297S

NOMAN H. MILLWALA  
Chairman

RAJIV SREEDHAR  
Managing Director

S. NAGARAJAN  
Partner  
Membership No. 020899

DR. T. VENKATESAN  
Director

K. J. JANAKAR  
Director

SAROJA RAMAN  
Director

Place: Chennai  
Date: 29.07.2020

U. VISWANATH  
Company Secretary

N. GURUSWAMY  
Chief Financial Officer

# MIL INDUSTRIES LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2020

	Rs.	
	As at 31-03-2020	As at 31-03-2019
<b>A. EQUITY SHARE CAPITAL</b>		
Balance at the beginning of the year	31,500,000	31,500,000
Changes in Equity Share Capital during the year	-	-
Balance at the end of the year	31,500,000	31,500,000

### B. OTHER EQUITY

	Capital Redemption Reserve	Capital Reserve	General Reserve	Retained Earnings	Other Comprehensive Income
Balance as on 1st April 2018	3,000,000	1,500,000	1,826,000	248,128,876	(2,126,065)
Debit balance in Retained earnings of Subsidiary at the time of acquisition				(12,806)	
Profit for the year after tax	-	-	-	75,803,532	
Remeasurement of Defined Benefit Plans (net of tax)					(387,569)
Interim Dividend paid				(3,150,000)	
Dividend Distribution tax				(647,492)	
Balance as at 31st March 2020	3,000,000	1,500,000	1,826,000	320,122,110	(2,513,634)

Note: Since MIL Industries and Aerospace Limited became a wholly owned subsidiary of the Company during this financial year, previous year's figures are not furnished as this is the first Consolidated accounts,

See accompanying Notes to Financial Statements

Vide our report of even date attached

For **S.N.S ASSOCIATES**

Chartered Accountants  
Firm Reg No. 006297S

NOMAN H. MILLWALA  
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Managing Director

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Director

SAROJA RAMAN  
Director

Place: Chennai  
Date: 29.07.2020

U. VISWANATH  
Company Secretary

N. GURUSWAMY  
Chief Financial Officer

# MIL INDUSTRIES LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

PARTICULARS	Figures as at the end of the current reporting period 31-03-2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	
Profit for the year before tax	105,664,314
Adjustments for	
Depreciation	11,334,699
Interest Expense	786,696
Interest income	(9,637,362)
Loss on sale of assets	8,854
Operating profit before working capital changes	108,157,201
Adjustments for changes in	
Other Non current financial assets	(96,665)
Other Non Current assets	(305,411)
Trade Receivables	(7,269,026)
Inventories	(7,854,463)
Other Current Assets	(3,670,325)
Trade Payables	(12,285,137)
Bank deposits under lien and unclaimed dividend	(12,888,082)
Remeasurement of defined benefit obligations	(387,569)
Other Financial Liabilities	11,013,008
Other Current Liabilities	4,415,572
	<u>(29,328,098)</u>
Cash Generated from operations	78,829,103
Income tax paid (net)	(31,615,088)
Net Cash generated from Operations	(A) <u>47,214,015</u>
<b>B. CASH FROM INVESTING ACTIVITIES</b>	
Purchase of Property, Plant and Equipment	(18,765,267)
Proceeds from sale of Property, Plant and Equipment	84,746
Interest income	9,637,362
Net cash (used in)/from Investing activities	(B) <u>(9,043,159)</u>
<b>C. CASH FROM FINANCING ACTIVITIES</b>	
Interest expense	(786,696)
Repayment of Non Current Borrowings	
Proceeds from current borrowings	6,828,348
Dividend Paid including Dividend tax	(3,797,492)
Net cash (used in)/from Financing Activities	(C) <u>2,244,160</u>
Net increase/(decrease) in cash and cash equivalents	(A+B+C) <u>40,415,016</u>
Opening Cash and Cash Equivalents (excluding deposits under lien)	123,403,387
Closing Cash and Cash Equivalents (excluding deposits under lien)	163,818,403

See accompanying Notes to Financial Statements

Vide our report of even date attached

For **S.N.S ASSOCIATES**

Chartered Accountants  
Firm Reg No. 006297S

NOMAN H. MILLWALA  
Chairman

RAJIV SREEDHAR  
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DR. T. VENKATESAN  
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Director

SAROJA RAMAN  
Director

Place: Chennai  
Date: 29.07.2020

U. VISWANATH  
Company Secretary

N. GURUSWAMY  
Chief Financial Officer

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

### 1 Corporate Information

MIL Industries Limited, is a Company which is registered under the Companies Act, 1956 and is domiciled in India. The Registered Office of the Company is situated at 25A SIDCO Industrial Estate, Ambattur, Chennai 600098.

The Company is engaged in the business of anti corrosive lining of equipment and pipes using rubber and Ply Tetro Flouro Ethelene (PTFE). The Company's factories are situated at Ambattur and Gummidipoondi in the state of Tamil Nadu.

### 2 Basis of preparation on Financial Statements

These Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. The Company adopted Ind AS from 1st April 2017. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto adopted.

The Financial Statements are prepared in accordance with the historical cost convention except for certain items that are measured at fair values at the end of each reporting period, as explained in the Accounting Policies set out below. The Financial Statements are prepared on a "Going Concern" basis using accrual concept except for the Cash Flow information. Historical Cost is generally based fair value of the consideration given in exchange for goods and services.

#### Principles used in Preparing Consolidated Financial Statements

The Consolidated Financial Statements relate to MIL Industries Limited with its wholly owned Subsidiary, MIL Industries and Aerospace Limited. The consolidated financial statements have been prepared on the following basis:

- i) The Financial Statements of the Parent and its Wholly Owned Subsidiary is combined on a line by line basis by adding together like items of assets, liabilities, income and expenses.
- ii) The difference between the cost of investment in the subsidiary over the net assets at the time of acquisition of shares in the subsidiary is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- iii) Inter company transaction, balances and unrealised gains on transactions, if any, between the Parent and the wholly owned subsidiary are eliminated.
- iv) Consolidated Financial Statements are prepared using uniform accounting policies for the like transactions and other events in similar circumstances.

### 3 Significant Accounting Policies

#### a) Use of Estimates

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 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

### e) Revenue Recognition

Revenue from sale of goods is recognised when significant risks and rewards of the ownership of the goods is assted 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/attribution 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.

### 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.

### l) Cash Flow Statement

Cash Flows are reported using indirect method, where profit or loss before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The Cash flows from Operating, investing and financing activities are segregated based on available information.

# MIL INDUSTRIES LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

### 4. PROPERTY, PLANT AND EQUIPMENT

Rs.

<b>GROSS BLOCK</b>				
	As at 01-04-2019	Additions	Deletions	Balance 31-03-2020
Land				
Freehold				
Ambattur	172,887	-	-	<b>172,887</b>
Others	7,305,325	-	-	<b>7,305,325</b>
Leasehold land	238,485	-	-	<b>238,485</b>
Buildings	28,942,337	3,145,228	-	<b>32,087,565</b>
Plant and Equipment	116,513,069	13,531,430	1,876,000	<b>128,168,499</b>
Furniture and Fixtures	2,812,792	573,764	-	<b>3,386,556</b>
Vehicles	8,712,206	725,531	-	<b>9,437,737</b>
Office Equipment	7,531,017	207,506	-	<b>7,738,523</b>
Computers	2,320,786	581,808	-	<b>2,902,594</b>
<b>TOTAL</b>	<b>174,548,904</b>	<b>18,765,267</b>	<b>1,876,000</b>	<b>191,438,171</b>
Previous year total	154,403,885	21,007,144	862,125	174,548,904

Rs.

<b>DEPRECIATION BLOCK</b>				
<b>PARTICULARS</b>	As at 01-04-2019	For the year	Deletions	Balance 31-03-2020
Land				
Freehold				
Ambattur	-	-	-	-
Others	-	-	-	-
Leasehold land	82,010	3,196		<b>85,206</b>
Buildings	14,069,773	890,755		<b>14,960,528</b>
Plant and Equipment	78,783,455	9,151,451	1,782,400	<b>86,152,506</b>
Furniture and Fixtures	2,450,135	92,149		<b>2,542,284</b>
Vehicles	6,838,459	625,827		<b>7,464,286</b>
Office Equipment	6,976,837	171,539		<b>7,148,376</b>
Computers	1,692,407	399,782		<b>2,092,189</b>
<b>TOTAL</b>	<b>110,893,076</b>	<b>11,334,699</b>	<b>1,782,400</b>	<b>120,445,375</b>
Previous year total	103,552,772	8,139,422	799,118	110,893,076



# MIL INDUSTRIES LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

Rs.

PARTICULARS	NET BLOCK	
	31-03-2020	31-03-2019
Land		
Freehold		
Ambattur	172,887	172,887
Others	7,305,325	7,305,325
Leasehold land	153,279	156,475
Buildings	17,127,037	14,872,564
Plant and Equipment	42,015,993	37,729,614
Furniture and Fixtures	844,272	362,657
Vehicles	1,973,451	1,873,747
Office Equipment	590,147	554,180
Computers	810,405	628,379
<b>TOTAL</b>	<b>70,992,796</b>	<b>63,655,828</b>
Previous year balance	63,655,828	50,851,113

Rs.

PARTICULARS	31-03-2020
<b>5. NON CURRENT INVESTMENTS</b>	
In other Companies	
7800 Equity Shares of Rs.10/- each fully paid up in MIL Trading Private Limited	78,000
	<u>78,000</u>
<b>6. OTHER FINANANCIAL ASSETS</b>	
Unsecured - Considered good	
Security Deposits	1,475,390
	<u>1,475,390</u>
<b>7. OTHER NON-CURRENT ASSETS</b>	
Preliminary Expenses (to the extent not wirtten off or adjusted)	305,411
	<u>305,411</u>

# MIL INDUSTRIES LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

	Rs.
PARTICULARS	31-03-2020
<b>8. DEFERRED TAX ASSET</b>	
Asset on account of effect of fair valuation of financial assets	575,308
Liability on account of timing difference of Depreciation	(394,405)
	<u>180,903</u>
<b>9. INVENTORIES</b>	
Raw Materials	50,392,128
Work in progress	28,103,919
Finished Goods	8,627,040
Stores and Spares	2,301,033
	<u>89,424,120</u>
<b>10. TRADE RECEIVABLES</b>	
Unsecured - Considered good	97,127,504
	<u>97,127,504</u>
Age analysis of receivables	
Outstanding for more than six months from the date they are due	3,578,960
Other Debts	93,869,428
The above is after considering loss on fair valuation	1,975,645
<b>11. CASH AND CASH EQUIVALENTS</b>	
Cash on hand	415,252
Balance with Banks	
In Current Account	13,829,338
In Deposit Accounts	149,573,812
In Deposits offered as security for credit facilities	22,900,000
	<u>186,718,403</u>

# MIL INDUSTRIES LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

		Rs.
PARTICULARS		31-03-2020
<b>12. OTHER CURRENT ASSETS</b>		
	Unsecured - Considered Good	
	1. Advances to employees	275,827
	2. Prepaid Expenses	1,445,173
	3. Advance to suppliers	12,398,544
	4. Rent Receivables	-
	5. Earnest Money Deposits	127,786
	6. Balance with Excise Department	207,803
	7. Balance with Sales tax Department	3,210,899
	8. MEIS Scrips on hand	144,589
	9. Interest receivable	971,038
	10. Duty Drawback Receivable	173,821
		<b>18,955,480</b>

### 13. EQUITY SHARE CAPITAL

#### SHARE CAPITAL

##### Authorised:

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

##### Issued, Subscribed and Fully Paid-up:

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

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

Particulars	No. of Shares	Values (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

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
		31-03-2020	31-03-2020
1	Krebs Engineering Private Limited	962,000	30.54%
2	Saroja Raman	315,295	10.01%
3	Mahendra Girdharilal	190,085	6.03%
4	Tamilnadu Industrial Investment Corporation Ltd	168,000	5.33%

#### Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of Rs.10/- per Share. All the Shares have the same rights and preferences with respect to payment of Dividend, repayment of capital and voting. In the event of liquidation of the Company the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

# MIL INDUSTRIES LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

### 14. OTHER EQUITY

Rs.

PARTICULARS	Capital Redemption Reserve	Capital Reserve	General Reserve	Surplus	Other Comprehensive Income	Total
<b>Balance as at 01-04-2019</b>	3,000,000	1,500,000	1,826,000	248,128,876	(2,126,065)	252,328,811
Remeasurement of defined benefit plans transferred to Other Comprehensive Income (net of tax)					(387,569)	(387,569)
Debit Balance in profit and loss account of Subsidiary on the date of acquisition				(12,806)		(12,806)
Add: Profit for the period ended 31-03-2020				75,803,532		75,803,532
Less : Interim Dividend Paid				(3,150,000)		(3,150,000)
Dividend Distribution Tax				(647,492)		(647,492)
<b>Balance as at 31-03-2020</b>	<b>3,000,000</b>	<b>1,500,000</b>	<b>1,826,000</b>	<b>320,122,110</b>	<b>(2,513,634)</b>	<b>323,934,476</b>

Note: The Board of Directors of the Company had at the Board Meeting held on 28.08.2019 declared an Interim Dividend of 10% amounting to Rs.3,150,000/= which has been paid.

Rs.

### PARTICULARS

31-03-2020

### 15. BORROWINGS

#### (i) From Banks

Working Capital Borrowings - Secured

6,828,348

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

6,828,348

### 16. OTHER FINANCIAL LIABILITIES

Advance from customers

41,690,669

41,690,669

### 17. OTHER CURRENT LIABILITIES

Security Deposits

192,000

Other Payables:

IGST payable

-

TDS payable

1,652,723

Payable to employees

2,253,176

Provision for taxation (net of payments)

7,721,516

Others

5,916,820

17,736,235

# MIL INDUSTRIES LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

	Rs.
PARTICULARS	31-03-2020
<b>18. REVENUE FROM OPERATIONS</b>	
Sale of products (Rubber Lining and PTFE)	567,036,931
Sale of Services	42,298,008
Sale of Stock -in-trade	-
	<u>609,334,939</u>
<b>19. OTHER INCOME</b>	
Gain on foreign currency transactions	1,947,753
Profit on sale of assets	-
Interest received	9,637,362
Rent received	420,000
Scraps Sales	35,021
Credit balances no longer required written back	12,099,660
Bad debts written off recovered	93,599
Export Incentives:	
Merchandise Export and Incentive Scheme Scrips	1,891,135
Duty Draw back	1,639,656
Insurance claim received	-
Miscellaneous Receipts	-
	<u>27,764,187</u>
<b>20. COST OF RAW MATERIALS AND COMPONENTS CONSUMED</b>	
Raw materials and components	220,887,427
	<u>220,887,427</u>
<b>21. CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS</b>	
Opening Stock	
Finished Goods	3,469,805
Work in progress	40,399,629
	<u>43,869,434</u>
Closing Stock	
Finished Goods	8,627,040
Work in progress	28,103,919
	<u>36,730,959</u>
(Increase)/Decrease in inventories of Finished Goods and Work in progress	<u>7,138,475</u>

# MIL INDUSTRIES LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

	Rs.
PARTICULARS	31-03-2020
<b>22. EMPLOYEE BENEFIT EXPENSES</b>	
Salaries, Wages and Bonus	52,817,805
Contribution to Provident and Other Funds	4,395,740
Welfare Expenses	5,926,705
	<u>63,140,250</u>
<b>23. FINANCE COSTS</b>	
Interest Expense	786,696
Other Borrowing Costs	1,889,713
	<u>2,676,409</u>

# MIL INDUSTRIES LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

	Rs.
PARTICULARS	31-03-2020
<b>24. OTHER EXPENSES</b>	
Lining Expenses	86,891,359
Power and fuel	16,010,700
Stores and Spares consumed	35,114,208
Rent	600,000
Insurance	1,106,633
Rates and Taxes	2,295,576
Postage and Telephone	1,435,408
Printing and Stationery	1,520,250
Travelling and Conveyance	13,243,328
Payment to Auditors:	
For Audit	500,000
For Certification	304,000
For Reimbursement of expenses	-
For Service tax	-
Repairs and Maintenance:	
Buildings	6,073,370
Plant & Machinery	7,466,717
Others - Maintenance Expenses	9,010,305
Selling expenses	1,702,680
Professional fees	31,593,920
Advertisement and Sales Promotion	327,580
Loss on foreign currency transactions	307,564
Commission on Sales	390,000
Directors' Sitting fees	250,000
Security Service Charges	2,458,374
Bad Debts Written off	4,459,305
CSR Expenditure	921,000
Donations	45,000
Loss on fair valuation of financial assets	141,798
Loss on Sale of Assets	8,854
Miscellaneous expenses	2,079,625
	<u>226,257,552</u>

# MIL INDUSTRIES LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

PARTICULARS	31-03-2020
	Rs.
<b>25. Contingent Liabilities on account of:</b>	
a) Guarantees given by Banks on behalf of the Company	17,841,230
b) <u>TN VAT Demand for the period April 2011 to March 2016</u>	-
<p>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.</p>	
<b>26. Commitments:</b>	
Estimated amount of contracts remaining to be executed on capital account and not provided for:	7,459,651
<b>27.</b> 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.	
<b>28.</b> The company has not discontinued any operations during the year.	
<b>29. Corporate Social Responsibility:</b>	
<p>During the financial year 2019-20, the Company was required to spend Rs. 9,20,894/- as per Section 135 of the Companies Act, 2013 towards Corporate Social Responsibility being 2% of the average net profits for the immediately preceding three Financial Years. In compliance with this requirement, the Company has actually spent Rs. 9,21,000/- during the financial year 2019-20.</p>	
<b>30.1. Financial Risk Management and Objectives and Policies</b>	
<p>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.</p>	
<b>30.2. Disclosure of Fair Value Measurements</b>	
<p>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.</p>	



**Financial Instruments by category**

Rs.

	Amortised Cost	Fair Value Through Profit and Loss	Fair value Through Other Comprehensive Income	Carrying amount	Fair Value
<b>As at 31-03-2020</b>					
<b>Financial Assets</b>					
Long Term Investment	2,078,000			2,078,000	2,078,000
Other financial assets					
Trade Receivables		99,103,149		99,103,149	97,127,504
Cash and cash equivalents	186,718,403			186,718,403	186,718,403
<b>Financial Liabilities</b>					
Long Term Borrowings	-			-	-
Short term borrowings	6,828,348			6,828,348	6,828,348
Trade payables	41,690,669			41,690,669	41,690,669
Other financial liabilities	41,690,669			41,690,669	41,690,669

**Fair Value Hierarchy**

The Company uses the following hierarchy for determining the fair value of the financial assets and liabilities:

Level 1 - Quoted prices in the market for financial assets or liabilities

Level 2 - Other techniques for which all inputs which have significant effect on the recorded fair value observable, either directly or indirectly.

Level 3 - This technique uses inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Rs.

**30.3. Employee Benefits**

**31-03-2020**

**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

**2,045,311**

**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

**1,089,414**

**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.

Rs.

**a) Assumptions used**

31-03-2020

**Gratuity**

Discount Rate	6.45%
Salary Escalation	7.00%
Expected return on plan assets	6.45%
Attrition rate	13.00%
Average age	39.40

**b) Movement in present value of Defined Benefit Plan (Gratuity) during the year**

Opening value of DBO at the beginning of the year	10,439,861
Current Service Cost	690,921
Interest Cost	673,371
Benefits paid	-
Actuarial (Gains)/Loss	276,773
Closing value of DBO at the end of the year	12,080,926

**c) Movement in Plan assets during the year**

Fair value of plan assets at the beginning	10,376,870
Interest income of the assets	714,977
Employer contribution	1,416,084
Benefits paid	-
Actuarial gain/(Loss)	823,569
Fair value of plan assets at the end of theyear	13,331,500

**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 ouuring at the end of the reported:

If the discount rate is 100 basis points higher or lower, the defined benefit obligation would

increase by	684,344
decrease by	604,492

If the expected salary increases/decreases by 100 basis points, the defined benefit obligation would

increase by	671,938
decrease by	604,307

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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

PARTICULARS	31-03-2020	
	Qty.	Value Rs.
<b>32. ADDITIONAL NOTES</b>		
<b>a) Turnover</b>		
<b>Rubber</b>		
<b>Manufacturing :</b>		
- Rubber lining Products (Sq.M.)	45,638	389,865,598
		<u>389,865,598</u>
<b>Service:</b>		
- Rubber lining	0	41,550,091
Total income - Segment A		<u>431,415,689</u>
<b>PTFE</b>		
<b>Manufacturing :</b>		
- PTFE Lined Pipes and Fittings and PTFE Products (Kgs)	21,154	177,171,333
		<u>177,171,333</u>
<b>Service:</b>		
- PTFE Coating, etc	-	747,917
Total income - Segment B		<u>177,919,250</u>
<b>Total Turnover - Sales</b>		<u>609,334,939</u>
<b>b) Raw materials and components consumed (kgs) :</b>		
<b>Manufacturing:</b>		
1. Natural and Synthetic rubber	196,724	36,065,547
2. Fillers	162,168	13,148,754
3. Solvents	88,676	8,207,004
4. Special Curing and bonding agents	24,660	6,358,762
5. Resins	22,828	24,849,910
6. Steel Pipes, Pipe Fittings, Steel Equipments of various specifications	-	129,279,188
7. Others	-	2,978,262
		<u>220,887,427</u>

# MIL INDUSTRIES LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

PARTICULARS	31-03-2020	
	Qty.	Value Rs.
<b>c) Opening and Closing stock of goods produced:</b>		
<b>Finished Goods:</b>		
<b>Opening Stock</b>		
- Rubber Lining Products (Sq. M.)	40	317,106
- PTFE Lined Products (Kgs)*	707	3,152,699
		<u>3,469,805</u>
<b>Closing Stock</b>		
- Rubber Lining Products (Sq. M.)	98	945,230
- PTFE Lined Products (Kgs)*	1,263	7,681,810
		<u>8,627,040</u>
(* Represents PTFE content in Finished Products)		
<b>d) Capacity and Production:</b>		
<b>Licenced Capacity :</b>		
1. Rubber lining	(Sq. M)	53,348
2. Fabrication of Steel Equipment for Rubber lining	(MT)	1,090
3. PTFE (Resin Weight)	(MT)	50
4. Fabrication of Steel Pipes & Fittings for PTFE Lining	(MT)	550
<b>Installed Capacity :</b>		
(as certified by the Mg. Director)		
1. Rubber lining	(Sq. M)	53,348
2. Fabrication of Steel Equipment for Rubber lining	(MT)	1,090
3. PTFE (Resin Weight)	(MT)	50
4. Fabrication of Steel Pipes & Fittings for PTFE Lining	(MT)	550
<b>Actual Production</b>		
1. Rubber lining	(Sq. Mtr.)	45,696
2. PTFE (Resin Weight)	(Kgs.)	21,710
<b>e) Value of Imports calculated on CIF basis :</b>		
1. Raw Materials		15,674,808
2. Capital Goods and Spares		7,528,513
		<u>23,203,321</u>

# MIL INDUSTRIES LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

PARTICULARS	31-03-2020	
	Qty.	Value Rs.
<b>f) Expenditure in foreign currency:</b>		
Foreign Travel		1,390,755
Fees for services rendered outside India		6,909,935
	%	Rs.
<b>g) Details regarding consumption of imported and indigenous materials</b>		
1. Raw Materials & Components		
Imported	8.14	17,987,854
Indigenous	91.86	202,899,573
	<u>100.00</u>	<u>220,887,427</u>
2. Stores & Spare Parts		
Imported	1.49	521,766
Indigenous	98.51	34,592,442
	<u>100.00</u>	<u>35,114,208</u>
<b>h) Number of Non-resident shareholders</b>		27
Number of Shares held		118,250
Amount of Dividend Remitted		-
<b>(i) Earnings in Foreign Exchange</b>		
1. Export of goods on FOB basis		60,509,886
2. Technical Services		21,975,636
		<u>82,485,522</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020**

**33. SEGMENT REPORTING**

For the purpose of segment reporting, the Company's primary segments are classified as:

- 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".

(In Rupees)

Particulars	Year to date figures for the period 01-04-2019 to 31-03-2020
1. Segment Revenue	
a. Rubber Lining & Rubber Products	431,415,689
b. PTFE Lining & PTFE Products	177,919,250
Total	609,334,939
Less: Inter segment revenue	-
Net Sales / Income from Operations	609,334,939
2. Segment Results Profit / (loss) (before tax and interest from each segment)	
a. Rubber Lining & Rubber Products	87,401,786
b. PTFE Lining & PTFE Products	31,326,116
Total	118,727,902
Less: i. Interest and Finance Charges	2,676,409
ii. Other un-allocable expenditure net of unallocable income	10,387,179
<b>Total Profit Before Tax</b>	<b>105,664,314</b>
Capital Employed (Segment assets - Segment Liabilities)	
a. Rubber Lining & Rubber Products	165,751,102
b. PTFE Lining & PTFE Products	189,723,374
<b>Total</b>	<b>355,434,476</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020**

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	31-03-2020 Amount in Rs.		
	Nature of Transaction		
	Remune- ration	Rent Paid	Year End Balance
<b>Key Management Personnel</b>			
Mr. Rajiv Sreedhar - Managing Director	8,380,000	600,000	—
Mr. V.P.K. Mani - Company Secretary	650,000	—	—
Mr. N. Guruswamy - Chief Financial Officer	1,430,000	—	—
<b>Directors</b>		<b>Sitting Fees</b>	—
Mr. S.S.R. Rajkumar	—	65,000	—
Mr. Noman H. Millwala	—	85,000	—
Mrs. Saroja Raman	—	50,000	—
Dr. T.Venkatesan	—	50,000	—
Krebs Engineering Private Limited	Professional services - Fees Paid	8,288,762	4,863,434

**31-03-2020**

**35. Earnings Per Share**

Profit for the year attributable to Equity Shareholders	<b>75,803,532</b>
Number of Equity Shares of Rs.10/- each	<b>3,150,000</b>
Earnings Per Share - Basic and Diluted	<b>24.06</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020**

36. The manufacturing facilities and all offices of the Company were closed from March 25, 2020 following the countrywise lockdown due to Covid 19. As per State Government instructions, the Company has resumed operations in a phased manner. The Company has evaluated the impact of Covid 19 Pandemic on its business operations and financial position and based on its review, there is no significant impact on its financial results as at 31-03-2020.
37. MIL Industries and Aerospace Limited became a wholly owned subsidiary of the Company with effect from 12th November 2019, i.e., during the current financial year. Hence this is the first Consolidated Financial Statements being prepared under the Companies Act, 2013. Hence previous year's figures are not furnished as no consolidated statement was prepared for the previous financial year.
38. Additional Information on net assets and share of profits and other comprehensive income for the year ended 31st March 2020.

Name of Entity	Net Assets as percentage of consolidated net assets	Share of profit/(loss) as percentage of consolidated profit	Share in other comprehensive income as percentage of other comprehensive income	Share in total comprehensive income as percentage of total comprehensive income
MIL Industries and Aerospace Ltd				
Amount (in rupees)	1,940,778	(46,416)	-	(46,416)
Percentage	0.54	(0.06)	-	(0.06)

39. 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

NOMAN H. MILLWALA  
Chairman

RAJIV SREEDHAR  
Managing Director

S. NAGARAJAN  
Partner  
Membership No. 020899

DR. T. VENKATESAN  
Director

K. J. JANAKAR  
Director

SAROJA RAMAN  
Director

Place: Chennai  
Date: 29.07.2020

U. VISWANATH  
Company Secretary

N. GURUSWAMY  
Chief Financial Officer



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