

BOARD OF DIRECTORS : SAROJA RAMAN. *CHAIRPERSON*
RAJIV SREEDHAR. *MANAGING DIRECTOR*
S.S.R. RAJKUMAR
NOMAN H. MILLWALA
DR. T. VENKATESAN

TECHNICAL COLLABORATORS : For PTFE Products
FLUOROCARBON COMPANY LTD.
Hertford SG 13 7NH, England.

OHJI RUBBER & CHEMICALS CO. LTD.,
Hofu, Yamaguchi, Japan.

BANKERS : UCO Bank, International Banking Branch
Chennai- 600 001

AUDITORS : Suri & Co

COMPANY SECRETARY : V.P.K. MANI

REGISTERED & HEAD OFFICE : Plot No. 25A,
Industrial Estate, Ambattur,
Chennai - 600 098.

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

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

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Fifty First Annual General Meeting of MIL INDUSTRIES LIMITED will be held at the Registered Office of the Company at 25A, Industrial Estate, Ambattur, Chennai – 600 098 on Monday, the 25th September, 2017 at 4.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the reports of the Directors and Auditors, the audited Balance Sheet as at 31st March, 2017 and the Profit and Loss Account for the year ended on that date.
2. To appoint a Director in place of Mrs. Saroja Raman, who retires by rotation under Article 107 of the Company's Articles of Association and who is eligible for reappointment.
3. To appoint a Director in place of Dr. T. Venkatesan, who retires by rotation under Article 107 of the Company's Articles of Association and who is eligible for reappointment.
4. To consider and if thought fit to pass with or without modification the following resolution:

“RESOLVED that M/s. S.N.S. Associates, Chartered Accountants, Door No. 25, 11th Cross Street, Indira Nagar, Chennai - 600 020 (Firm Registration No. 006297S), be and are hereby appointed as Auditors of the Company to audit the Annual Accounts of the Company and they shall hold office from the conclusion of this 51st Annual General Meeting till the conclusion of the 56th Annual General Meeting of the Company subject to ratification in every Annual General Meeting by way of passing an ordinary resolution. RESOLVED further that the Board of Directors be and is hereby authorised to fix the annual remuneration payable to the said Auditor on a year to year basis.”

Chennai
27th July, 2017

By Order of the Board
V.P.K. MANI
Company Secretary

1. The explanatory Statement as required under Sec. 102 is enclosed for Sl. No. 4
2. A member entitled to attend and vote at the meeting of the Company is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company.
3. The instrument appointing proxy duly filled should be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting. Proxy forms submitted on behalf of companies must be supported by an appropriate resolution / authority.
4. The Register of Members of the Company will remain closed from 18th September 2017 to 25th September, 2017 both days inclusive.

Explanatory Statement for Serial No. 4 of the Agenda

As per the provisions of Section 139 of the Act, 2013, the transitional period of office of M/s. Suri & Co, Chartered Accountants, Chennai, as Statutory Auditors of the Company will conclude from the close of the ensuing Annual General Meeting (AGM) of the Company.

In view of the above, the Board of Directors of the Company at their meeting held on 27th July 2017 have recommended the appointment of M/s. S.N.S. Associates, Chartered Accountants, Chennai (ICAI Firm Registration Number 006297S) as the Statutory Auditors of the Company, subject to the approval of the shareholders.

They have consented to the said appointment and confirmed that their appointment, if made, would be within the limits mentioned under the provisions of Section 141 of the Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

They will hold office as statutory auditors for the first term of five years from the conclusion of the 51st AGM till the conclusion of 56th AGM of the Company, subject to ratification of the appointment by Members at every AGM held during their tenure of office as statutory auditors.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution as set out in Item No.4 of this Notice.

The Directors, therefore, recommend the ordinary resolution, as set out in item No.4, for approval of shareholders.

DIRECTORS' REPORT

To the Members:

The Directors have pleasure in presenting their Fifty First Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2017.

1. FINANCIAL RESULTS

		<u>Rs. Million</u>
Profit before depreciation and finance costs		55.87
LESS:		
i) Interest and Finance Charges	4.26	
ii) Depreciation	8.91	
iii) Provision for Taxation		
Current Tax	15.30	
Deferred Tax	<u>(0.11)</u>	28.36
Profit after tax for the year		<u>27.51</u>

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.

2. OPERATIONS

There has been a decrease in the turnover of the Rubber Products Division from Rs. 179.20 million in the previous year to Rs.158.58 million.

There has been a increase in the turnover of PTFE Division from Rs.128.04 million in the previous year to Rs.136.00 million in the current year.

The company's export earnings have decreased from Rs.48.01 million in the previous year to Rs.45.80 million in the current year.

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

3. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of Annual Return as on the financial year ended on 31st March 2017 in Form MGT-9 is annexed as Annexure - I.

4. DIRECTORS RESPONSIBILITY STATEMENT

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

- i) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- ii) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2016-2017 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 provision of the Act and there are adequate systems and controls for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) The Directors had prepared the annual accounts on a going concern basis.
- v) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- vi) The Directors had laid down internal financial controls to be followed by the company and that such financial controls are adequate and were operating effectively.

5. FIXED DEPOSITS

The Company has not accepted any deposits from Public during the year and Fixed Deposits outstanding with the Company at the end of the financial year stood at Rs. NIL. There are no unclaimed deposits as on 31st March 2017.

6. DIRECTORS

Mrs. Saroja Raman and Dr. T. Venkatesan, Directors of the Company retire by rotation and is eligible for re-appointment.

7. MEETING OF THE BOARD

During the financial year Board meetings were held on 9th June 2016, 29th July 2016, 22nd September 2016, 21st December, 2016 and 27th March 2017.

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

SI No	Name of Director	DIN No	Category of Directorship	No of Board Meetings Attended	Attendance at last AGM
1	MRS. SAROJA RAMAN	00481687	NON-INDEPENDENT NON-EXECUTIVE DIRECTOR	3	NO
2	MR. RAJIV SREEDHAR	00181532	NON-INDEPENDENT MANAGING DIRECTOR	5	YES
3	MR. S.S.R. RAJKUMAR	00317801	INDEPENDENT NON-EXECUTIVE DIRECTOR	5	YES
4	MR. NOMAN H. MILLWALA	00471544	INDEPENDENT NON-EXECUTIVE DIRECTOR	5	YES
5	DR. T. VENKATESAN	01793232	INDEPENDENT NON-EXECUTIVE DIRECTOR	5	YES

8. AUDITORS

M/s. Suri & Co., Chartered Accountants, have been the Auditors of the Company from its very inception in the year 1966. Considering the requirement of Section 139 (2) of the Companies Act, 2013, regarding rotation of Auditors, the Board proposes that M/s. S.N.S. Associates, Chartered Accountants (Firm registration No. 006297S) be appointed as Auditors of the Company in place of M/s. Suri & Co., Chartered Accountants. Your Directors recommend approving the appointment of M/s. S.N.S. Associates, as the Statutory Auditors of the company as proposed in the accompanying Notice to the Shareholders.

9. 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.

10. 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 225 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. 10,29,738/-.

11. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

	<u>Rs. Million</u>
Foreign Exchange used	10.96
Foreign Exchange earned	45.80

12. 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 investment during the year.

13. Audit Committee

Under the provisions of the Companies Act, 2013, the Company is not required to constitute an Audit Committee as per Rule 6 of the Companies (Meetings of Board and its Powers) Rules 2014 read with Section 177.

14. Remuneration Committee

Under the provisions of the Companies Act 2013, the Company is not required to constitute a Remuneration Committee as per Rule 6 of the Companies (Meetings of Board and its Powers) Rules 2014 read with Section 177.

15. Risk Management:

The Company has a comprehensive policy framework for identification, measurement and management of all material risks including but not limited to market, raw materials and other inputs, credit and liquidity.

16. Exit of Madras Stock Exchange Ltd. - Moving our Company to the Dissemination Board of NSE

Our Company's shares were listed with the Madras Stock Exchange Limited (MSEL). Consequent to MSEL opting for voluntary de-recognition, our Company ceased to be a listed Company with MSEL and has been placed on the Dissemination Board of NSE with effect from 27th March 2015. NSE has allowed buying and selling of shares of Company's Shares on the Dissemination Board. Now the Company is in the process of listing its Equity Shares with Metropolitan Stock Exchange of India, Mumbai.

17. CORPORATE SOCIAL RESPONSIBILITY

The Company understands its responsibility towards the society and environment in which it operates. The Company has constituted Corporate Social Responsibility Committee at the Board level. Members of the Committee are:

1. Mrs. Saroja Raman
2. Mr. Rajiv Sreedhar
3. Mr. S.S.R. Rajkumar

Average net profit of the company for the last three financial years: Rs.4,93,11,113/-
Prescribed CSR expenditure at 2% of the above amount : Rs. 9,86,222/-
During the financial year 2016-17, the Company has spent Rs.1,607,000/- towards CSR activities.

The Company has been exploring the possibilities of participating in various CSR projects in line with the policy approved by the Board and the CSR Committee is in the process of identifying projects for implementation on an on-going basis.

Annual Report on CSR activities is annexed as Annexure - II.

18. SECRETARIAL AUDIT

Secretarial Audit is not applicable as per Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Section 204 of the Companies Act, 2013.

19. AUDITORS REPORT

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

20. 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.

21. INSURANCE

The Company continues to carry adequate Insurance for all assets against foreseeable perils.

22. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

23. INDUSTRIAL RELATIONS

During the year, your Company enjoyed cordial relationship with workers and employees at all levels.

24. INTERNAL CONTROLS

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.

25. 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.

for and on behalf of the Board

Chennai
27th July, 2017

Saroja Raman
Chairperson

**EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2017 of
MIL INDUSTRIES LIMITED**

(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	U25199TN1966PLC005397
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, Industrial Estate, Ambattur Chennai - 600 098 Phone: 044-26258382 Fax: 044-26257583 Email: mil@milindustries.com Website: www.milindus.com
6) Whether shares listed on recognised Stock Exchange(s)	The shares were listed with Madras Stock Exchange Ltd. Due to voluntary exit of Madras Stock Exchange, we cease to be a listed company with effect from 27.03.2015
7) Name, Address & contact details of the Registrar & Transfer Agent, if any	Integrated Registry Management Services Private Limited, 'Kences Towers', II Floor, 1, Ramakrishna Street, North Usman Road T. Nagar, Chennai - 600 017. Phone: 044-28140801 - 803 Fax: 044-28142479 Email: corpserv@integratedindia.in

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

S.NO	Name and Description of Main Product / services	NIC Code of the Product / service	% to total turnover of the company
1	Manufacture of Rubber Lining Products, Trading of Rubberlining materials and Rubberlinings	22191	54
2	Manufacture of PTFE Lined Pipes and Fittings and PTFE Products	22209	46

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES NIL

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

IV SHARE HOLDING PATTERN (EQUITY)

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31-March-2016)				No of Shares held at the end of the year (AS on 31-March-2017)				% Change during the Year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	600280	190620	790900	25.11	600280	185870	786150	24.96	0.15
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	1195000	--	1195000	37.93	1195000	--	1195000	37.93	--
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any other	--	--	--	--	--	--	--	--	--
Subtotal (A) (1)	1795280	190620	1985900	63.04	1795280	185870	1981150	62.89	0.15
(2) Foreign									
a) NRI – Individuals	--	5250	5250	0.17	--	5250	5250	0.17	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies corporate	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any other	--	--	--	--	--	--	--	--	--
Subtotal (A) (2)	--	5250	5250	0.17	--	5250	5250	0.17	--
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	1795280	195870	1991150	63.21	1795280	185870	1981150	62.89	0.32
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	168000	168000	5.33	--	168000	168000	5.33	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	43750	--	43750	1.39	43750	--	43750	1.39	--
g) FIIs									
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (individual)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	43750	168000	211750	6.72	43750	168000	211750	6.72	--
2. Non-Institutions									
a) Bodies Corp.	35000	155000	190000	6.03	35000	155000	190000	6.03	--
i) Indian	--	--	--	--	--	--	--	--	--
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	101600	127205	228805	7.27	108800	165555	233555	7.41	0.14
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	245295	158000	403295	12.80	287745	31000	318745	10.12	2.68

c) Others (NRIs)	—	125000	125000	3.96	—	130250	130250	4.14	—
Sub-total (B)(2):-	381895	565205	947100	30.07	475295	481805	957100	30.38	0.31
Total Public Shareholding (B)= (B)(1)+ (B)(2)	425645	733205	1158850	36.79	519045	649805	1168850	37.11	0.32
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	2220925	929075	3150000	100.00	2314325	835675	3150000	100.00	—

B) Shareholding of Promoters

Sl No	Shareholder's Name	Share holding 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	Mrs. Indrani S. Iyer	8900	0.29	—	8900	0.29	—	—
2	Mrs. Saroja Raman	311145	9.88	—	311145	9.88	—	—
3	Mr. Chandramouli Thirumurthy	1340	0.04	—	1340	0.04	—	—
4	Mr. C. Venkatesan	5850	0.19	—	5850	0.19	—	—
5	Mrs. Ramila Sreedhar	135095	4.29	—	135095	4.29	—	—
6	Mr. Ramesh Raman	99295	3.15	—	99295	3.15	—	—
7	Mr. Raghu Raman	112675	3.58	—	112675	3.58	—	—
8	Mr. S. Mohanram	2000	0.06	—	2000	0.06	—	—
9	Krebs Engineering Pvt. Ltd.	955000	30.32	—	955000	30.32	—	—
10	Mrs. Malathi Raman	43300	1.37	—	43300	1.37	—	—
11	Mr. Rajiv Sreedhar	4650	0.15	—	4650	0.15	—	—
12	Mrs. Rashmi Raman	27050	0.86	—	27050	0.86	—	—
13	Mrs. Lalitha Sangameswaran	8000	0.25	—	8000	0.25	—	—
14	Mrs. Malathi Rajan	3800	0.12	—	3800	0.12	—	—
15	Mrs. Radha Ramakrishnan	19050	0.60	—	19050	0.60	—	—
16	M/s Chemical Consultants & Engrs. P Ltd	130000	4.13	—	130000	4.13	—	—
17	M/S Milgerlan Engg. & Constn. Pvt. Ltd.	110000	3.49	—	110000	3.49	—	—
18	Mr. Ramesh Ramakrishnan	2000	0.06	—	2000	0.06	—	—
19	Mr. D. Sangameswaran	2000	0.06	—	2000	0.06	—	—

C) Change in Promoters' Shareholding:

S. No	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Promoters' shareholding	1991150	63.21		
	Date wise increase / decrease in Promoters shareholding during the year specifying the reasons for increase/ decrease <small>Transferred shares from Promoters Group to Public</small>	---	---	10000	0.32
	At the end of the year			1981150	62.89

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

S. No	Particulars	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Mahendra Giridharilal	190085	6.03	190085	6.03
2	M/s. Tamilnadu Indl. Investment Corp Ltd.	168000	5.33	168000	5.33
3	Mr. Pishu W. Uttamchandani	50000	1.59	50000	1.59
4	M/s. 21 st Century Management Services	50000	1.59	50000	1.59
5	M/s. Sterling Holiday Financial Services Ltd.	49000	1.56	49000	1.56
6	M/s. United India Insurance Co. Ltd.	43750	1.39	43750	1.39
7	M/s. ICICI Securities Primary Services Ltd.	35000	1.11	35000	1.11
8	M/s. Agrasen Finance P Ltd.	31000	0.98	31000	0.98
9	Mr. M.A.A. Annamalai	---	---	25000	0.79
10	Mrs. R. Gomathy	22210	0.70	22210	0.70

E) Shareholding of Directors and Key Managerial Personnel:

S. No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Rajiv Sreedhar	4650	0.150	4650	0.150
2	Mrs. Saroja Raman	311145	9.870	311145	9.870
3	Mr. S.S.R. Rajkumar	20800	0.660	20800	0.660
4	Mr. Noman H. Millwala	3750	0.120	3750	0.120
5	DR. T. Venkatesan	500	0.020	500	0.020
6	Mr. V.P.K. Mani	50	0.002	50	0.002
7	Mr. N. Guruswamy	175	0.006	175	0.006

V. INDEBTEDNESS

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	20113274	0.00	0.00	20113274
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	10412675	0.00	0.00	10412675
Total (i+ii+iii)	30525949	0.00	0.00	30525949
Change in Indebtedness during the financial year				
* Addition	0.00	0.00	0.00	0.00
* Reduction	10521528	0.00	0.00	10521528
Net Change	(10521528)	0.00	0.00	(10521528)
Indebtedness at the end of the financial year				
i) Principal Amount	9591746	0.00	0.00	9591746
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	11025175	0.00	0.00	11025175
Total (i+ii+iii)	20616921	0.00	0.00	20616921

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD		Total Amount
		Mr. Rajiv Sreedhar		
1	Gross salary	4669892		4669892
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--		--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--		--
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--		--
2	Stock Option	--		--
3	Sweat Equity	--		--
4	Commission- as % of profit-others, specify...	--		--
5	Others, please specify			
	Total (A)	4669892		4669892
	Ceiling as per the Act	5400000		5400000

B. Remuneration to other directors

	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	25000	25000	---	---	50000
	Commission	---	---	---	---	---
	Others, please specify	---	---	---	---	---
	Total (1)	25000	25000	---	---	50000
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	---	---	25000	15000	40000
	Commission	---	---	---	---	---
	Others, please specify	---	---	---	---	---
	Total (2)	---	---	25000	15000	40000
	TOTAL (1+2)	25000	25000	25000	15000	90000
	Total Managerial Remuneration	---	---	---	---	4759892
	Overall Ceiling as per the Act					

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Mr. V.P.K. Mani CS	Mr.N. Guruswamy CFO	Total
1	Gross salary		300000	1250000	1550000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--	---	--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	---	--
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission- as % of profit-others, specify...	--	--	--	--
5	Others, please specify	--	--	--	--
	Total (A)	--	300000	1250000	1550000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NONE

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees Imposed	Authority (RD/ NCLT / COURT)	Appeal made, if any (give Details)
A. COMPANY					
Penalty	---	---	---	---	---
Punishment	---	---	---	---	---
Compounding	---	---	---	---	---
B. DIRECTORS					
Penalty	---	---	---	---	---
Punishment	---	---	---	---	---
Compounding	---	---	---	---	---
C. OTHER OFFICERS IN DEFAULT					
Penalty	---	---	---	---	---
Punishment	---	---	---	---	---
Compounding	---	---	---	---	---

FOR MIL INDUSTRIES LIMITED

SAROJA RAMAN
CHAIRPERSON

Annexure - II 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 rural 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.

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

4. The Composition of CSR Committee:

SI No	Name of the Director	Designation	Status
1	Mr. S.S.R.Rajkumar (INED)	Independent Director	Chairperson
2	Mrs. Saroja Raman	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	Promoting Education	Mumbai	1,00,000	Blind Organisation, Mumbai
2	Education	Promoting Education	IIT Campus, Guindy, Chennai	10,00,000	IIT, Madras
3	Eradication of Poverty , Healthcare	Eradicating hunger, poverty and promoting healthcare including preventive healthcare .	Kodaikanal, Tamilnadu	1,00,000	Rural Pre-Ventures Public Charitable Trust , Chennai
4	Eradication of Poverty, Healthcare , Empowering Women	Eradicating hunger, poverty and promoting healthcare including preventive healthcare, Child education, Empowering Women	Velachery, Chennai	1,00,000	Action for Improving Mankind Trust, Chennai.
5	Old-Age Homes	Setting up of Old-age homes. daycare centres and such facilities for senior citizens	Palavakkam, Chennai	1,07,000	Vishranthi Charitable Trust , Chennai.

SI 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
6	Orphan Child Welfare and old-age homes	Setting up homes and hostels for orphan children and old-age homes.	Kattankulathur, Chennai	1,07,000	Sivananda Saraswathi Sevashram, Chennai.
7	Old-Age Homes	Setting up old-age homes for Senior Citizens and Orphans	Mugappair, Chennai.	1,00,000	Sri Harihara Seva Samithi, Chennai
	Total			16,07,000	

5. Average net profit of the Company for last three financial years. Rs. 4,93,11,113

6. Prescribed CSR Expenditure (2% of the amount as in item 5 above) Rs. 9,86,222

7. Details of CSR spent during the financial year

(a) Total amount spent for the financial year Rs. 16,07,000

(b) Amount unspent, if any Rs. 9,85,414

8. 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.

Refer clause No. 17 of the Directors' Report

9. 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: 27-07-2017

Place: Chennai

S.S.R. Rajkumar
Chairperson of the CSR
Committee

Rajiv Sreedhar
Managing Director and Member of
the CSR Committee

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MIL INDUSTRIES LIMITED, CHENNAI – 98.**

Report on the Financial Statements

We have audited the accompanying Financial Statements of MIL Industries Limited (“the Company”), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Financial Statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement

of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure 'A', a statement on the matters specified in paragraph 3 and 4 of the said 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 purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) 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' and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been a delay of 10 months in transferring Rs.1,50,300/- to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the company. The Company has also disclosed the receipts of SBNs and deposit of the same in the Company's bank account as detailed in Note 33 to the Financial Statements.

Place : Chennai

Date : 27-07-2017

For Suri & Co.
Chartered Accountants
Firm Registration No. 004283S

S. Swaminathan
Partner

M.No.020583

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIL INDUSTRIES LIMITED

- (i) a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
b. These fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
c. The title deeds of the immovable properties are held in the name of the Company.
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the Management and no material discrepancies were noticed.
- (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) The Company has not given any loans or provided any guarantee. In respect of investments made the provisions of section 185 and 186 of the Companies Act, 2013 has been complied with.
- (v) The Company has not accepted any deposits from the public during the year.
- (vi) We have broadly reviewed the cost records maintained by the Company in respect of products where the Central Government has prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 and are of the opinion that, prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities. There were no undisputed statutory dues payable as at the last day of financial year for a period of more than six months from the date they became payable.
b) According to the information and explanations given to us, there are no statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has not defaulted in repayment of dues to financial institutions or banks. The Company has no outstanding debentures.
- (ix) The Company has not raised any monies by way of Initial Public Offer or further public offer (including debt instruments) or term loans during the year.
- (x) According to the information and explanations given to us, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) Managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act.

- (xii) The Company is not a Nidhi Company and hence paragraph 3(xii) of the order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : Chennai
Date : 27-07-2017

For Suri & Co.
Chartered Accountants
Firm Registration No. 004283S
S. Swaminathan
Partner
M.No.020583

**ANNEXURE – B TO THE INDEPENDENT AUDITOR’S REPORT TO THE
MEMBERS 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 March 31, 2017 in conjunction with our audit of the 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by the Institute of Chartered Accountants of India 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 were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (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, 2017, 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.

Place : Chennai
Date : 27-07-2017

For Suri & Co.
Chartered Accountants
Firm Registration No. 004283S

S. Swaminathan
Partner
M.No.020583

BALANCE SHEET AS AT 31st MARCH 2017

	Note No.	31.03.2017 Rs.	31.03.2016 Rs.
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds:			
a) Share Capital	2	31,500,000	31,500,000
b) Reserves and Surplus	3	190,359,606	276,872,604
2. Non-Current Liabilities			
a) Long Term borrowings	4	5,642,513	12,861,011
b) Deferred Tax Liabilities (Net)		782,678	890,323
3. Current Liabilities			
a) Short Term Borrowings	5	3,949,233	7,252,263
b) Trade Payables			
(i) Due to Creditors - Micro and Small Enterprises		-	-
(ii) Due to creditors - Other than Micro and Small Enterprises		47,403,669	31,488,514
c) Other Current Liabilities	6	26,749,189	25,808,426
d) Short Term Provisions	7	1,795,015	1,475,549
TOTAL		<u>308,181,903</u>	<u>388,148,690</u>
II. ASSETS			
1. Non-Current Assets			
a) Fixed Assets			
Property, Plant and Equipments	8	55,572,748	168,548,004
b) Non-Current Investments	9	78,000	78,000
c) Long term Loans and Advances	10	2,478,257	1,958,112
2. Current Assets			
a) Inventories	11	60,770,274	52,342,536
b) Trade Receivables	12	81,251,531	58,858,773
c) Cash and Bank Balances	13	97,292,845	99,720,520
d) Short Term Loans and Advances	14	10,738,248	6,642,745
TOTAL		<u>308,181,903</u>	<u>388,148,690</u>

See accompanying notes to financial statements.

Vide our report of even date attached

For Suri & Co.

Chartered Accountants

Firm Regn. No. 004283S

S. Swaminathan

Partner

Membership No. 020583

V.P.K. MANI

Company Secretary

RAJIV SREEDHAR

Managing Director

S.S.R. Rajkumar

Noman H. Millwala

Saroja Raman

Dr. T. Venkatesan

Directors

Place: Chennai

Date: 27-07-2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017

	Note No.	31.03.2017 Rs.	31.03.2016 Rs.
I. Revenue from Operations			
Sales and Other Operating Income	15	303,224,308	313,528,977
Less: Excise Duty		<u>8,647,142</u>	<u>6,293,602</u>
		294,577,166	307,235,375
II. Other Income	16	<u>47,053,596</u>	<u>12,705,703</u>
III. Total Revenue (I + II)		<u>341,630,762</u>	<u>319,941,078</u>
Expenses			
Cost of Materials consumed	17	106,814,444	99,173,227
Purchase of Stock-in-Trade		4,369,504	3,276,829
Changes in inventories of finished goods and work-in-progress	18	(8,792,561)	3,593,857
Employee benefit expense	19	40,917,284	36,436,519
Finance Costs	20	4,255,706	3,697,807
Depreciation and amortization expense	8	8,909,267	9,240,335
Other expenses	21	<u>121,823,374</u>	<u>112,098,744</u>
IV. Total Expenses		<u>278,297,018</u>	<u>267,517,318</u>
V. Profit before exceptional and extraordinary items and tax (III - IV)		63,333,744	52,423,760
VI. Extraordinary items		<u>20,635,115</u>	<u>17,543,913</u>
VII. Profit before Tax (V - VI)		42,698,629	34,879,847
VIII. Tax Expense			
Current Tax		15,300,000	12,550,000
Tax for earlier years		---	293,876
Deferred Tax		<u>(107,645)</u>	<u>(1,333,769)</u>
IX. Profit for the period (VII - VIII)		<u>27,506,274</u>	<u>23,369,740</u>
 X. Earnings per equity share			
Basic and Diluted		8.73	7.42

See accompanying notes to financial statements.

Vide our report of even date attached

For Suri & Co

Chartered Accountants

Firm Regn. No. 004283S

S. Swaminathan

Partner

Membership No. 020583

V.P.K. MANI
Company Secretary

RAJIV SREEDHAR
Managing Director

S.S.R. Rajkumar
Noman H. Millwala
Saroja Raman
Dr. T. Venkatesan
Directors

Place: Chennai

Date : 27-07-2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

	31.03.2017	31.03.2016
	Rs.	Rs.
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation	42,698,629	34,879,847
Adjustments for:		
Depreciation	8,909,267	9,240,335
Interest	2,582,867	1,699,764
(Profit)/Loss on sale of assets	(188,803)	(297,207)
Dividend and Interest income	<u>(7,211,452)</u>	<u>(7,003,054)</u>
Operating Profit before Working Capital Changes	46,790,508	38,519,685
Adjustments for :		
(Increase) / Decrease in Inventories	(8,427,738)	9,163,929
(Increase) / Decrease in Sundry Debtors	(22,392,758)	14,657,954
(Increase) / Decrease in Other Current Assets, Loans and Advances	(4,645,785)	2,726,575
(Increase) / Decrease in Deposits with Banks under lien and Unclaimed Dividend Account	(1,124,027)	(1,360,496)
Increase / (Decrease) in Current Liabilities	<u>16,562,885</u>	<u>(17,943,686)</u>
Cash Generated From Operations	26,763,085	45,763,961
Taxes paid (Net) including TDS	<u>(15,269,863)</u>	<u>(17,054,675)</u>
Net Cash flow from Operating Activities (A)	<u>11,493,222</u>	<u>28,709,286</u>
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(10,335,910)	(5,564,321)
Sale of Fixed Assets	571,429	446,295
Dividend and Interest income	7,211,452	7,003,054
Net Cash Used in Investing Activities (B)	<u>(2,553,029)</u>	<u>1,885,028</u>
C) CASH FLOW FROM FINANCING ACTIVITIES		
Loans obtained / (repaid)	(10,521,528)	(21,014,307)
Interest paid	<u>(1,970,367)</u>	<u>(1,087,264)</u>
Net Cash flow from Financing Activities (C)	<u>(12,491,895)</u>	<u>(22,101,571)</u>
Net Increase/(Decrease) in Cash or Cash Equivalents	(A+B+C)	8,492,743
Opening Balance Cash and Cash Equivalents	71,324,006	62,831,264
Closing Balance Cash and Cash Equivalents	67,772,303	71,324,006

For Suri & Co.

Chartered Accountants

Firm Regn. No. 004283S

S. Swaminathan

Partner

Membership No. 020583

V.P.K. MANI

Company Secretary

RAJIV SREEDHAR

Managing Director

S.S.R. Rajkumar

Noman H. Millwala

Saroja Raman

Dr. T. Venkatesan

Directors

Place: Chennai

Date : 27-07-2017

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

1. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of Accounts:

The financial statements have been prepared on the historical cost basis in accordance with the generally accepted accounting principles and comply in all material respects with the applicable Accounting Standards.

b. Valuation of Inventories:

- i) Inventories are valued at lower of Cost and Net Realisable Value.
- ii) The cost of raw materials, components, stores and consumables is arrived at on the basis of weighted average cost.
- iii) The cost of stock in progress is arrived at on the basis of weighted average cost of raw materials, components and consumables, cost of conversion and other costs incurred to bring inventories to its present condition.

c. Revenue Recognition:

Income is recognised and expenditure is accounted for on their accrual.

- i) Sale of goods is recognised when the risk and rewards of the ownership are passed on to the customers which is generally on despatch of goods.
- ii) Revenue arising from the use of enterprise resources is recognised when no significant uncertainty as to measurability and collectability exists.
- iii) Dividend income is recognised when the right to receive dividend is established.

d. Property, Plant and Equipment :

- i) Property, Plant and equipments are stated at historical cost, less accumulated depreciation.
- ii) Depreciation on the assets of Rubberlining Division has been provided on written down value method and on the assets of PTFE Division on straight line method over the useful lives of Fixed Assets as specified in Part C of Schedule II of Companies Act, 2013 and has provided depreciation at the above methods.

e. Investments :

- i) Long term Investments are stated at cost less provision for diminution in the value of investment wherever applicable
- ii) Current investments are carried at lower of cost and fair value.

f. Taxes On Income :

- i) Taxes on income are accrued in the same period as the revenue and expenses to which they relate.
- ii) Current Taxes are measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates and tax laws.
- iii) Deferred tax on account of Tax effect on the accumulated timing differences that arises between the Accounting income and Taxable income is measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.
- iv) Deferred Tax Asset is recognised on reasonable certainty that sufficient future taxable income will be available.

g. Research and Development Expenditure :

Research and Development Expenditure that is of revenue nature is charged to the natural heads.

h. Foreign Currency Transactions :

- i) In respect of Exports, initial recognition is at the rate negotiated with the bank and the company negotiates with the bank immediately on completion of delivery.
- ii) In respect of other transactions, initial recognition is on the rate prevailing at the date of transaction.
- iii) Exchange differences on settlement of foreign exchange items are recognised as income or as expense in the period in which they arise.
- iv) At each Balance Sheet date monetary items denominated in foreign currency are reckoned at foreign exchange rate at the date of Balance Sheet and exchange variations are recognised as income or expense accordingly.

i. Employee Benefits :

- i) The Company is contributing to Provident Fund for the employees and the same is remitted to the Regional Provident Fund Commissioner and charged to 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 the 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 Statement of Profit and Loss as actuarially ascertained.

- iv) The Company as such 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. Borrowing Costs :

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

k. Impairment of Assets

As at Balance Sheet date, the carrying amount of asset 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 period. 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.

l. 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

	31.03.2017	31.03.2016
	Rs.	Rs.
2. SHARE CAPITAL		
<u>AUTHORISED</u>		
4,900,000 Equity Shares of Rs.10/- each	49,000,000	49,000,000
100,000 10% Redeemable Cumulative Preference Shares of Rs.10/- each	1,000,000	1,000,000
250,000 10% Convertible, Redeemable & Cumulative Preference Shares of Rs.10/- each	2,500,000	2,500,000
	<u>52,500,000</u>	<u>52,500,000</u>
<u>ISSUED, SUBSCRIBED AND FULLY PAID UP</u>		
3,150,000 Equity Shares of Rs.10/- each	<u>31,500,000</u>	<u>31,500,000</u>
	<u>31,500,000</u>	<u>31,500,000</u>

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

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

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	
		31.03.2017	31.03.2016	31.03.2017	31.03.2016
1.	Krebs Engineering Private Limited	955,000	955,000	30.32%	30.32%
2.	Saroja Raman	311,145	311,145	9.88%	9.88%
3.	Mahendra Girdharilal	190,085	190,085	6.03%	6.03%
4.	Tamilnadu Industrial Investment Corporation Ltd.	168,000	168,000	5.33%	5.33%
		1,624,230	1,624,230	51.56%	51.56%

	31.03.2017	31.03.2016
	Rs	Rs
3. RESERVES AND SURPLUS		
1. CAPITAL REDEMPTION RESERVE		
As per last Balance Sheet	<u>3,000,000</u>	<u>3,000,000</u>
2. CAPITAL RESERVE		
Capital Investment Subsidy from SIPCOT & ICICI		
As per last Balance Sheet	<u>1,500,000</u>	<u>1,500,000</u>
3. REVALUATION RESERVE		
As per last Balance Sheet	114,019,272	114,040,192
Less: Extra Depreciation on account of revaluation	---	20,920
Less: Reduction in accordance with Companies (Accounting Standard) Amendment Rules 2016 (Refer Note 8)	114,019,272	---
	<u>---</u>	<u>114,019,272</u>
4. GENERAL RESERVE		
As per last Balance Sheet	<u>1,826,000</u>	<u>1,826,000</u>
5. SURPLUS IN PROFIT AND LOSS STATEMENT		
As per last Balance Sheet	156,527,332	133,157,592
Add: Profit for the year	27,506,274	23,369,740
	<u>184,033,606</u>	<u>156,527,332</u>
	<u>190,359,606</u>	<u>276,872,604</u>

4. LONG TERM BORROWINGS	31.03.2017	31.03.2016
	Rs.	Rs.
From Others - Liquid Propulsion Systems Centre - Secured	5,642,513	12,861,011
(Interest free loan, secured by First Charge on PTFE Flexible Hose Manufacturing Equipment with all standard accessories erected at Gummidipoondi and Ambattur Plants repayable against deliverables over a period of 2 to 3 years)		
Period and amount of continuing default - Nil		
	<u>5,642,513</u>	<u>12,861,011</u>
5. SHORT TERM BORROWINGS		
(i) From Banks		
Working Capital borrowings - Secured	449,233	3,752,263
Cash Credit & Bills Discounted: - includes Buyer's Credit in Foreign Currency - NIL (Previous Year - Rs.2,628,288/-)		
(Secured by hypothecation of all stocks of raw materials, stores and spares, work-in-progress, finished goods and book debts and also by way of first charge on the fixed assets of the company)		
Period and amount of default - NIL		
ii) From Others		
IFST Loan - Secured	3,500,000	3,500,000
(Secured by way of pari passu second charge on all and singular Plant & Machinery and Land & Building at Gummidipoondi factory)		
Period and amount of default - NIL		
	<u>3,949,233</u>	<u>7,252,263</u>

	31.03.2017	31.03.2016
	Rs.	Rs.
6. OTHER CURRENT LIABILITIES		
Interest accrued but not due on loans	11,025,175	10,412,675
Advance from Customers	11,702,018	12,099,221
Unclaimed dividends	---	150,300
Security Deposits	205,000	205,000
Other payables:		
Excise Duty	2,503,370	1,362,461
VAT Payable	---	201,742
CST Payable	571,787	928,604
TDS Payable	741,839	448,423
	<u>26,749,189</u>	<u>25,808,426</u>
7. SHORT TERM PROVISIONS		
Provision for Employee Benefits	<u>1,795,015</u>	<u>1,475,549</u>
	<u>1,795,015</u>	<u>1,475,549</u>
9. NON-CURRENT INVESTMENTS		
Non-Trade - Unquoted		
7800 Equity Shares of Rs.10/- each fully paid in MIL Trading Private Limited	<u>78,000</u>	<u>78,000</u>
	<u>78,000</u>	<u>78,000</u>
10. LONG TERM LOANS AND ADVANCES		
Unsecured - Considered good		
Security Deposits	2,203,257	1,958,112
Capital Advances	<u>275,000</u>	---
	<u>2,478,257</u>	<u>1,958,112</u>

8. FIXED ASSETS
Tangible Assets

(In Rupees)

Particulars	Gross Block						Depreciation				Net Block	
	As at 01.04.2016	Additions	Deletions	Adjustment	As at 31.03.2017	As at 01.04.2016	For the Year	Deletions	Adjustment	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
1. Land - Free hold												
a. Ambattur	114,054,387	-	-	113,881,500	172,887	-	-	-	--	-	172,887	114,054,387
b. Others	7,305,325	-	-	-	7,305,325	-	-	-	-	-	7,305,325	7,305,325
2. Land - Lease Hold	238,485	-	-	-	238,485	72,422	3,196	-	-	75,618	162,867	166,063
3. Buildings	23,854,573	1,220,165	-	2,222,610	22,852,128	14,043,447	561,917	-	2,106,291	12,499,073	10,353,055	9,811,126
4. Plant and Equipments	107,062,063	6,426,341	-	13,560,228	99,928,176	76,400,870	5,647,308	-	13,538,774	68,509,404	31,418,772	30,661,193
5. Furniture and Fixtures	2,678,008	113,183	-	-	2,791,191	2,110,428	152,287	-	-	2,262,715	528,476	567,580
6. Vehicles	8,309,249	1,783,358	1,380,401	-	8,712,206	4,000,026	1,622,743	997,775	-	4,624,994	4,087,212	4,309,223
7. Office Equipments	6,988,715	448,619	-	-	7,417,334	6,379,385	241,585	-	-	6,620,970	796,364	589,330
8. Computer	1,317,866	344,244	-	-	1,662,110	234,089	680,231	-	-	914,320	747,790	1,083,777
Total	271,788,671	10,335,910	1,380,401	129,664,338	151,079,842	103,240,667	8,909,267	997,775	15,645,065	95,507,094	55,572,748	168,548,004
Previous Year	267,274,532	5,622,445	1,108,306	-	271,788,671	94,880,506	9,261,255	901,094	103,240,667	168,548,004	172,394,026	

* Pursuant to the amendment in Accounting Standard 10 Property, Plant and Equipment vide Companies (Accounting Standards) Amendment Rules, 2016 dt 30-03-2016, the company has opted to adopt "Cost model" for the carrying value of all classes of property, plant and equipment and accordingly has reversed the Revaluation reserve created in earlier years to the cost of the asset.

	31.03.2017	31.03.2016
	Rs.	Rs.
11. INVENTORIES		
(Valued at lower of cost and net Realisable value)		
Raw Materials	26,782,499	26,784,480
Work-in-Progress	27,146,455	18,804,926
Finished Goods	4,646,049	4,195,017
Stores and Spares	2,195,271	2,558,113
	<u>60,770,274</u>	<u>52,342,536</u>
12. TRADE RECEIVABLES		
Unsecured - Considered Good		
Exceeding six months	3,160,479	3,161,630
Other debts	78,091,052	55,697,143
	<u>81,251,531</u>	<u>58,858,773</u>
13. CASH AND BANK BALANCES		
(i) Cash and Cash equivalents		
Balance with Banks		
In Current Accounts	11,824,426	11,310,767
In Deposit Accounts	55,662,416	60,011,918
Cash on hand	285,462	1,322
	<u>67,772,304</u>	<u>71,324,007</u>
(ii) Unclaimed Dividend Account	—	150,300
(iii) Bank Deposits offered as security	29,520,541	28,246,213
	<u>97,292,845</u>	<u>99,720,520</u>
14. SHORT-TERM LOANS AND ADVANCES		
Unsecured Considered Good		
(i) Employee Advance	284,608	255,999
(ii) Prepaid Expenses	1,446,918	859,778
(iii) Advance to Suppliers	6,747,513	3,090,828
(iv) Rent Advance	13,000	13,000
(v) Earnest Money Deposits	73,414	45,150
(vi) Tax payments pending adjustment	720,737	750,874
(vi) Balance with Excise Department	838,704	1,013,762
(vii) Balance with Sales Tax Department	613,354	613,354
	<u>10,738,248</u>	<u>6,642,745</u>

	31.03.2017	31.03.2016
	Rs.	Rs.
15. SALES AND OTHER OPERATING INCOME		
Sale of Products (Rubber Lining & PTFE)	275,917,056	294,318,507
Sale of Services	17,865,619	10,737,132
Sale of Stock-in-Trade	<u>9,441,633</u>	<u>8,473,338</u>
	<u>303,224,308</u>	<u>313,528,977</u>
16. OTHER INCOME		
Gain on foreign currency transactions	—	495,528
Profit on sale of Assets	188,803	297,207
Interest received	7,211,452	7,003,054
Rent received	360,000	360,000
Duty Drawback	848,635	1,775,630
Reversal of provision for Excise Duty on closing stock	—	243,083
Other Non-Operating income	2,013	531,201
Insurance Claim received	<u>38,442,693</u>	<u>2,000,000</u>
	<u>47,053,596</u>	<u>12,705,703</u>
17. COST OF MATERIALS CONSUMED		
Raw materials and components (Rubber, Resins, Pipes etc.)	83,557,339	78,810,938
Stores and Spares	<u>23,257,105</u>	<u>20,362,289</u>
	<u>106,814,444</u>	<u>99,173,227</u>
18. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
Opening Stock		
Finished Goods	4,195,017	2,191,806
Work-in-progress	<u>18,804,926</u>	<u>24,401,994</u>
	<u>22,999,943</u>	<u>26,593,800</u>
Closing Stock		
Finished Goods	4,646,049	4,195,017
Work-in-progress (excluding flood damage)	<u>27,146,455</u>	<u>18,804,926</u>
	<u>31,792,504</u>	<u>22,999,943</u>
(Increase)/Decrease in inventories of finished goods and work in progress	(8,792,561)	3,593,587

	31.03.2017	31.03.2016
	Rs.	Rs.
19. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages, Bonus and Allowances	34,009,090	30,256,015
Contribution to Provident and Other Funds	4,179,381	3,756,599
Welfare Expenses	<u>2,728,813</u>	<u>2,423,905</u>
	<u>40,917,284</u>	<u>36,436,519</u>
20. FINANCE COSTS		
Interest Expense	2,582,867	1,699,764
Other Borrowing costs	<u>1,672,839</u>	<u>1,998,043</u>
	<u>4,255,706</u>	<u>3,697,807</u>
21. OTHER EXPENSES		
Lining Expenses	53,838,149	51,499,987
Power and Fuel	10,728,226	11,842,936
Rent	648,000	648,000
Insurance	1,212,390	721,922
Rates and Taxes	9,830,598	5,608,017
Postage and Telephone	1,383,791	1,374,325
Printing and Stationery	1,302,496	1,282,862
Travelling and Conveyance	8,721,470	10,455,463
Payment to Auditors:		
For Audit	200,000	200,000
For Certification	17,500	13,000
For Reimbursement of expenses	14,700	20,500
For Service Tax	34,832	34,256
Repairs and Maintenance		
Buildings	854,294	2,633,168
Plant & Machinery	2,230,490	4,720,187
Others	3,739,619	2,918,079
Selling expenses	1,446,111	1,292,750
Professional fees	15,837,079	12,383,352
Excise duty on Closing Stock	1,140,909	---
Advertisement and Sales Promotion	116,233	202,990
Loss on foreign currency transactions	833,941	---
Commission on Sales	1,282,333	148,248
Directors' Sitting fees	90,000	125,000
Security Service Charges	2,148,926	1,779,944
Bad Debts Written off	1,339,017	922,511
CSR Expenditure	1,607,000	---
Donations	82,000	---
Miscellaneous expenses	<u>1,143,270</u>	<u>1,271,247</u>
	<u>121,823,374</u>	<u>112,098,744</u>

	31.03.2017 Rs.	31.03.2016 Rs.
22. Contingent Liabilities on account of:		
a) Guarantees given by Banks on behalf of the Company	33,427,576	49,876,122
d) <u>Excise duty demand for the period June 2013 to May 2015</u>		
The Company's writ petition filed before the Madras High Court during the year ended 31.03.2016 against the assessment made by the Additional Commissioner of Central Excise for non-payment of Excise Duty on activity of rubber lining on raw materials and pipes, has been allowed and the demand has been quashed.	---	3,394,095
23. Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	354,750	---
24. Deferred Tax Liability / (Asset)		
On account of depreciation	(107,645)	(1,333,769)
25. 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.		
26. The company has not discontinued any operations during the year.		
27. Corporate Social Responsibility		
The Company is required to spend an amount of Rs.986,222/- for the Financial Year 2016-17, Rs.914,244/- for the Financial Year 2015-16 and Rs.691,948/- for the Financial Year 2014-15 towards CSR activities under Section 135 of the Companies Act, 2013, out of which company has spent Rs.1,607,000/- during the Financial Year 2016-17. The company was unable to spend the remaining amount of Rs.985,414/- and has been exploring the possibilities of participating in approved CSR projects for implementation on an on-going basis.		

28. Extraordinary items in the Statement of Profit & Loss for the year ended 31.03.2017 represents extensive repairs and maintenance of building, machinery and other assets, which got damaged at the factory premises on account of floods during November and December 2015 for Rs.10,365,650/- and due to Vardah Cyclone in the month of December 2016 for Rs.10,269,465. The insurance claim of Rs.36,384,693/- received against 2015 floods has been credited to the Statement of Profit & Loss under 'Other Income'.

The insurance claim lodged by the company towards Vardah Cyclone is under process and the survey has been completed. The initial payment of Rs.1,772,223/- received against the claim has been credited to the Statement of Profit & Loss under 'Other Income'.

MIL INDUSTRIES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

29. Disclosure as required under Accounting Standard (AS) 15

(In rupees)

Funded Group Gratuity Plan

	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
(a) Defined Benefit Plan :-				
(i) Changes in present value of obligations				
Present Value of obligations as at beginning of the year	6,814,541	5,689,912	4,435,583	4,608,836
Interest cost	485,972	436,985	342,427	388,481
Current Service Cost	525,924	447,921	384,340	310,258
Benefits Paid	973,557	---	---	744,807
Actuarial loss/(Gain) on obligation	829,730	239,722	527,561	(127,184)
Present Value of obligations as at end of the year	7,682,611	6,814,541	5,689,912	4,435,583
(ii) Changes in the fair Value of Plan Assets				
Fair Value of plan assets at beginning of the year	7,563,044	5,608,874	4,636,873	4,617,055
Expected return on plan assets	553,780	487,897	487,270	355,008
Contributions	1,040,282	974,660	972,000	382,914
Benefits paid	973,557	---	---	744,807
Actuarial gain / (loss) on plan assets	49,758	491,613	(487,269)	26,703
Fair Value of plane assests at end of the year	8,233,307	7,563,044	5,608,874	4,636,873
(iii) Fair Value of Plan Assets				
Fair Value of plan assets at beginning of the year	7,563,044	5,608,874	4,636,873	4,617,055
Actual return on plan assets	603,538	979,510	1	381,711
Contributions	1,040,282	974,660	972,000	382,914
Benefits paid	973,557	---	---	744,807
Fair Value of plan assets at end of the year	8,233,307	7,563,044	5,608,874	4,636,873
Funded status (Asset)	550,696	748,503	(81,038)	201,290
Excess of Actual over estimated return on plan assets	49,758	491,613	(487,269)	26,703
(iv) Actuarial Gain / Loss recognised				
Actuarial Loss/(Gain) for the year - obligation	829,730	239,722	527,561	(127,184)
Actuarial gain for the year - Plan Assets	49,758	491,613	(487,269)	26,703
Total loss/(Gain) for the year	779,972	(251,891)	1,014,831	(153,887)
Actuarial loss/(Gain) recognised in the year	779,972	(251,891)	1,014,831	(153,887)

MIL INDUSTRIES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

29. Disclosure as required under Accounting Standard (AS) 15

(In Rupees)

Funded Group Gratuity Plan

	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
(v) Amounts to be recognised in the Balance Sheet and Statement of Profit and Loss				
Present Value of obligations as at the end of the year	7,682,611	6,814,541	5,689,912	4,435,583
Fair Value of plan assets at the end of the year	8,233,307	7,563,044	5,608,874	4,636,873
Funded status (Asset)	550,696	748,503	(81,038)	201,290
Net Assets recognised in the Balance Sheet	---	---	---	---
(vi) Expenses recognised in the statement of Profit and Loss				
Current Service Cost	525,924	447,921	384,340	310,258
Interest Cost	485,972	436,985	342,427	388,481
Expected return on plan assets	553,780	487,897	487,270	355,008
Net Actuarial loss/(Gain) recognised in the year	779,972	(251,891)	1,014,831	(153,887)
Expenses to be recognised in the profit & loss	1,238,088	145,118	1,254,328	189,844
(vii) Actuarial Assumptions				
Discount Rate	7.29%	7.68%	7.72%	9.17%
Expected return on Plan Assets	7.29%	8.00%	8.00%	8.00%
Salary increase	7.00%	7.00%	7.00%	7.00%

(b) Defined Contribution plans :-

The company makes contribution towards Employees Provident Fund, Family Pension Fund, Super Annuation Fund and Employees State Insurance Scheme. Under the rules of these schemes, the company is required to contribute a specified percentage of payroll costs. The company during the year recognised Rs.2,543,810/- as expense towards contribution to these plans.

30. ADDITIONAL NOTES	31.03.2017		31.03.2016	
	Qty.	Value Rs.	Qty.	Value Rs.
a) Turnover				
Rubber				
Manufacturing :				
- Rubber Lining Products (Sq.M.)	28630	128,871,753	28213	157,363,851
- Other Recoveries		<u>3,851,941</u>		<u>3,367,049</u>
		<u>132,723,694</u>		<u>160,730,900</u>
Trading :				
Rubber lining materials - Solvents, Thinners, Bonding Agents etc.		9,441,633		8,473,338
Service				
- Rubber Lining		<u>16,417,246</u>		<u>9,991,742</u>
Total income - Segment A		<u>158,582,573</u>		<u>179,195,980</u>
PTFE - Manufacturing				
- PTFE Lined Pipes and Fittings and PTFE Products (Kgs)	15,609	133,673,758	14,762	126,557,250
- Other Recoveries		<u>872,462</u>		<u>693,898</u>
		<u>134,546,220</u>		<u>127,251,148</u>
Trading - SS Wire		—		42,857
Service - PTFE Coating etc.		<u>1,448,373</u>		<u>745,390</u>
Total income - Segment B		<u>135,994,593</u>		<u>128,039,395</u>
Total Turnover - Sales		<u>294,577,166</u>		<u>307,235,375</u>
b) Raw materials and components consumed (kgs):				
Manufacturing:				
1. Natural and Synthetic rubber	130,560	21,067,246	129,290	19,616,357
2. Fillers	110,825	6,210,004	90,593	9,547,133
3. Solvents	58,131	5,340,428	66,842	4,755,610
4. Special Curing and bonding Agents	11,466	1,857,183	13,704	1,631,258
5. Resins	13,833	14,133,807	16,228	16,920,261
6. Steel Pipes, Pipe Fittings, Steel Equipments of various specifications	-	31,677,741	-	36,178,518
7. Others	-	3,270,930	-	4,112,705
		<u>83,557,339</u>		<u>92,761,842</u>
Trading				
Bought out components of various specification and descriptions		4,369,504		3,276,829

	Qty.	31.03.2017 Value Rs.	Qty.	31.03.2016 Value Rs.
c) Opening and Closing stock of goods produced:				
Finished Goods:				
Opening Stock				
- Rubberlining Products (Sq.M)	73	416,956	56	396,320
- PTFE Lined Products (Kgs)*	744	<u>3,778,061</u>	312	<u>1,795,486</u>
		<u>4,195,017</u>		<u>2,191,806</u>
Closing Stock				
- Rubberlining Products (Sq.M)	28	86,349	73	416,956
- PTFE Lined Products (Kgs)*	974	<u>4,559,700</u>	744	<u>3,778,061</u>
		<u>4,646,049</u>		<u>4,195,017</u>
(* Represents PTFE content in Finished Products)				
	Unit			
d) Capacity and Production:				
Licenced Capacity :				
1. Rubberlining	(Sq. M)	53,348	(Sq. M)	53,348
2. Fabrication of Steel Equipment for Rubberlining	(MT)	1,090	(MT)	1,090
3. PTFE (Resin Weight)	(MT)	50	(MT)	50
4. Fabrication of Steel Pipes & Fittings for PTFE Lining	(MT)	550	(MT)	550
Installed Capacity :				
(as certified by the Mg. Director)				
1. Rubberlining	(Sq. M)	53,348	(Sq. M)	53,348
2. Fabrication of Steel Equipment for Rubberlining	(MT)	1,090	(MT)	1,090
3. PTFE (Resin Weight)	(MT)	50	(MT)	50
4. Fabrication of Steel Pipes & Fittings for PTFE Lining	(MT)	550	(MT)	550
Actual Production				
1. Rubberlining	(Sq. Mtr.)	28,585	(Sq. Mtr.)	28,230
2. PTFE (Resin Weight)	(Kgs.)	15,839	(Kgs.)	15,194
e) Value of Imports calculated on CIF basis (in Rs.) :				
1. Raw Materials		9,768,275		5,232,061
2. Others		<u>853,509</u>		<u>14,475</u>
		<u>10,621,784</u>		<u>5,246,536</u>
f) Expenditure in foreign currency:				
Foreign Travel		338,624		832,046

	31.03.2017		31.03.2016	
	%	Rs.	%	Rs.
g) Details regarding consumption of imported and indigenous materials				
1. Raw Materials & Components				
Imported	11.65	9,736,419	12.59	11,678,445
Indigenous	88.35	73,820,920	87.41	81,083,397
	<u>100.00</u>	<u>83,557,339</u>	<u>100.00</u>	<u>92,761,842</u>
2. Stores & Spare Parts				
Imported	5.33	1,239,360	1.77	382,614
Indigenous	94.67	22,017,746	98.23	21,292,339
	<u>100.00</u>	<u>23,257,106</u>	<u>100.00</u>	<u>21,674,953</u>
h) Number of Non-resident shareholders		28		28
Number of Shares held		125,000		125,000
(i) Earnings in Foreign Exchange				
1. Export of goods on FOB basis		44,527,953		45,278,188
2. Technical Services		1,267,539		2,732,423
		<u>45,795,492</u>		<u>48,010,611</u>

31. SEGMENT REPORTING

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

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

The above business segments have been identified considering :

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

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

(In Rupees)

Particulars	Year to date figures for the period 01.04.2016 to 31.03.2017	Year to date figures for the period 01.04.2015 to 31.03.2016
1. Segment Revenue		
a. Rubber Lining & Rubber Products	158,582,573	179,195,980
b. PTFE Lining & PTFE Products	135,994,593	128,039,395
Total	294,577,166	307,235,375
Less: Inter segment revenue	—	—
Net Sales / Income from Operations	294,577,166	307,235,375
2. Segment Results Profit / (loss) (before tax and interest from each segment)		
a. Rubber Lining & Rubber Products	23,488,223	19,013,138
b. PTFE Lining & PTFE Products	45,814,137	37,537,757
Total	69,302,360	56,550,895
Less: i. Interest and Finance Charges	4,255,706	3,697,807
ii. Other un-allocable expenditure net of unallocable income	22,348,024	17,973,241
Total Profit Before Tax	42,698,630	34,879,847
1. Capital Employed (Segment assets - Segment Liabilities)		
a. Rubber Lining & Rubber Products	117,920,601	113,929,296
b. PTFE Lining & PTFE Products	109,581,518	93,285,048
Total	227,502,119	207,214,344

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

32. Disclosures as required by the Accounting Standard 18 " Related Party Disclosures" are given below :

a) Key Managerial 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) Company under Same Management : MIL Trading Private Limited

d) Investing Company : Krebs Engineering Private Limited

Particulars	31.03.2017 Amount in Rs.			31.03.2016 Amount in Rs.		
	Nature of Transaction Remuneration	Rent paid	Year end balance	Nature of Transaction Remuneration	Rent paid	Year end balance
Key Managerial Personnel						
Mr. Rajiv Sreedhar - Managing Director	4,669,892	600,000	---	4,669,626	600,000	---
Mr. V.P.K. Mani - Company Secretary	300,000	---	---	300,000	---	---
Mr. N. Guruswamy - Chief Financial Officer	1,250,000	---	---	960,000	---	---
Directors		Sitting Fees			Sitting Fees	
Mr. S.S.R. Rajkumar	---	25,000	---	---	35,000	---
Mr. Noman H. Millwala	---	25,000	---	---	35,000	---
Mrs. Saroja Raman	---	15,000	---	---	20,000	---
Dr. T.Venkatesan	---	25,000	---	---	35,000	---
Krebs Engineering Private Limited	Commission Paid	1,092,500	---	Commission Paid	---	---
MIL Trading Private Limited	Rent received for the premises	360,000	---	Rent received for the premises	360,000	---

33. Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	500,000	24,475	524,475
(+) Permitted receipts	-	-	-
(+) Other receipts *	1,595,000	-	1,595,000
(+) Amount Withdrawn from Banks-	-	348,000	348,000
(-) Permitted payments	-	333,223	333,223
(-) Amount deposited in Banks	2,095,000	-	2,095,000
Closing cash in hand as on 30.12.2016	-	39,252	39,252

* Site Workers who have been employed at various site operations were unable to use the SBNs disbursed at the site centres due to the Demonetisation announced on 8th November 2016 and returned their wages to the company. In order to ensure smooth work relationship, the company had to deposit the wages so returned by them in the company's bank account and refunded the same to the workers.

34. 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 Suri & Co

Chartered Accountants

Firm Reg No. 004283S

S. Swaminathan
Partner
Membership No. 020583

V.P.K. MANI
Company Secretary

RAJIV SREEDHAR
Managing Director

S.S.R. Rajkumar
Noman H Millwala
Saroja Raman
Dr. T. Venkatesan
Directors

Place : Chennai

Date : 27-07-2017

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, Rajiv Sreedhar, Managing Director and N. Guruswamy, General Manager (Finance & Accounts) of MIL Industries Limited, to the best of our knowledge and belief, certify that:

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

Rajiv Sreedhar
Managing Director

N. Guruswamy
General Manager (Fin. & Accts.)

Place : Chennai
Date : 27-07-2017

MIL Industries Limited

Registered Office: 25-A, Industrial Estate, Ambattur, Chennai 600098.

CIN: U25199TN1966PLC005397, Email: mil@miliindustries.com

Phone:044-2625 8382 Website: www.milindustries.com

ATTENDANCE SLIP

Name and Address of the Shareholder	Folio No.	_____
	DP ID/Client ID	_____
	No. of shares held	_____

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 51st Annual General Meeting of the Company being held on Monday, the 25th September, 2017 at 4.30 p.m. at the registered office of the Company at 25A, Industrial Estate, Ambattur, Chennai – 600 098

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

MIL Industries Limited

Form No. MGT-11

PROXY FORM

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

CIN	: U25199TN1966PLC005397		
Name of the Company	: MIL Industries Limited	Folio No.	:
Registered office	: 25-A, Industrial Estate	PAN No	:
	Ambattur, Chennai - 98	DP ID/Client ID:	
Name of the Member(s)			No. of Shares:
Registered address:			

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

S.No.	Name	Address	Email id	Signature	
					Or failing him
					Or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 51st Annual General Meeting of the Company, to be held on Monday, the 25th September, 2017 at 4.30 p.m. at the registered office of the Company at 25-A, Industrial Estate, Ambattur, Chennai – 600 098, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution .	Vote	
		For	Against
Ordinary Business			
1	Adoption of audited financial statements of the Company for the financial year ended 31st March 2017 together with the reports of the Board of Directors' and Auditors' thereon		
2	Re-appointment of Mrs. Saroja Raman as director, who retires by rotation.		
3	Re-appointment of Dr. T. Venkatesan as director, who retires by rotation		
4	Appointment of M/s. S.N.S. Associates, Chartered Accountants, Chennai, as Statutory Auditors of the Company. .		

Signed this day of..... 2017

Signature of Shareholder

Signature of Proxy holder(s)

Affix Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, before the commencement of the Meeting.

BOOK POST

If undelivered please return to :

MIL INDUSTRIES LIMITED

CIN No. U25199TN1966PLC005397

25A, Industrial Estate,

Ambattur, Chennai - 600 098

India.

Phone : (044) 26258382

MIL INDUSTRIES LIMITED

MIL Fifty First Annual Report
2016-2017